

# LEGISLATIVE ASSEMBLY

Wednesday 24 May 2006

**Mr Speaker (The Hon. John Joseph Aquilina)** took the chair at 10.00 a.m.

**Mr Speaker** offered the Prayer.

**Mr SPEAKER:** I acknowledge the Gadigal clan of the Eora nation and their elders and thank them for their custodianship of this land.

## LOCAL GOVERNMENT AMENDMENT (MISCELLANEOUS) BILL

**Message received from the Legislative Council returning the bill without amendment.**

### AUDIT OFFICE

#### Report

**Mr Speaker** tabled, in accordance with section 38E of the Public Finance and Audit Act 1983, the performance audit report of the Auditor-General entitled "Prisoner Rehabilitation: Department of Corrective Services", dated May 2006.

**Ordered to be printed.**

### VISITORS

**Mr SPEAKER:** I welcome to the public gallery students and teachers from St Catherine's School, Waverley, as guests of the honourable member for Coogee. I hope they find today a pleasing and educational experience. I have been informed that the school is celebrating its 150th anniversary. On Monday this Parliament celebrated its 150th anniversary of responsible government, with the establishment of the Legislative Assembly on 22 May 1856, the same year as the establishment of St Catherine's School.

## VALUATION OF LAND AMENDMENT BILL

### Second Reading

**Debate resumed from 10 May 2006.**

**Mr ADRIAN PICCOLI** (Murrumbidgee) [10.05 a.m.]: This Parliament is celebrating 150 years of responsible government, which is an incredible achievement, just as the 150-year anniversary of the establishment of St Catherine's School is an incredible achievement. One hundred and fifty years ago soldiers who had fought with Napoleon were still around, and I believe Queen Victoria was still Queen of England.

**Mr SPEAKER:** And very much still a young Queen. She remained Queen for another 46 years or so.

**Mr ADRIAN PICCOLI:** I am sure St Catherine's School has an amazing history and that an incredible array of people attended the school and contributed greatly to Australia. Our guests this morning who are present in the gallery will probably also make a fantastic contribution to Australia. I congratulate the school on its 150th anniversary. The Valuation of Land Amendment Bill is not quite as exciting as the 150th anniversary of St Catherine's School, but it is an important piece of legislation. The New South Wales Coalition examined this legislation carefully and does not have a problem with a number of minor amendments to the Valuation of Land Act 1916. Opposition members accept that the amendments will clear up some anomalies, clarify some definitions and bring the bill into line with decisions handed down by the Land and Environment Court relating to the interpretation of certain provisions in that Act. As I said, the Opposition does not oppose those aspects of this legislation. However, Opposition members have been concerned for some time about the way in which land is valued in New South Wales.

We do not think this bill addresses faults in the New South Wales valuation system. That is not the intention of this legislation but the people of New South Wales are waiting for significant changes and reforms to the way in which land is valued in New South Wales. Over the past few years we have witnessed huge increases in land valuations, which has resulted in massive increases in land tax bills. These increases have impacted on council rates and resulted in huge variations in land valuations. There must be a significant reform of land valuations in New South Wales, which is something this legislation does not deliver. Opposition members will await with anticipation the legislation that is to be introduced later this year in response to the recent Ombudsman's report.

Many people in the community are hurting because of the way in which their land is valued. Over the past few years the actual value of real estate has declined right across the State. People are paying high levels of land tax but at the same time the actual value of their land is decreasing. The greatest complaint my constituents have is that this Government takes very little account of their ability to pay these land tax bills. I have received complaints from constituents, family friends who live in Sydney and from members of Parliament about the land tax bills being faced by people living in Sydney. In regional New South Wales, particularly on the coast, land valuations have skyrocketed, and the issue is most pressing there and in Sydney. We have all heard stories about people who own a second house in Sydney that they rent out for a couple of hundred dollars a week and who suddenly face a land tax bill representing up to 50 percent of their rental income. This is where the rubber hits the road in regard to land valuations; it is about how much people are forced to pay in land tax.

That brings me to the Valuation of Land Amendment Bill and the first section of the bill relating to the powers of the Valuer-General to make land valuations at any time where the circumstances of the land have changed. I understand that this clause is fairly narrow because it only gives the Valuer-General the opportunity to undertake revaluations at his or her discretion when the circumstances of a particular parcel of land have changed. In relation to a rental house, a block of units or a vacant block of land the Valuer-General cannot just go in whenever he or she feels like it and change the valuation. But where there has been a rezoning or subdivision, or where the nature of that land has changed, under this legislation the Valuer-General has the power to undertake a revaluation. Prior to this bill, the council or the Commissioner for Taxation in New South Wales could request that that revaluation be done. This legislation allows the Valuer-General at his or her own discretion to do that revaluation.

We accept that it is not necessarily going to impact on many people, but the community is concerned about land valuations and land tax bills increasing hugely. In a private member's statement in the last week of Parliament I referred to an example of constituents of mine whose land tax bill had gone through the roof—I think it had gone from zero dollars to about \$5,000 in the space of two years. Some people have a real problem with the way their land is valued and people are very upset about those kinds of huge increments. We do not think that this legislation assists the situation in any way. We are reluctant to give any additional power to the Valuer-General to revalue land at his or her own discretion.

That is why the New South Wales Liberal and National parties oppose this legislation. We do not believe that the Valuer-General should be given additional powers until significant reforms are made to land valuations in New South Wales. The way land valuations are done now is causing enormous difficulty for people who are investing in land for their retirement, or those who have bought real estate and have seen their valuations increase hugely, they think unjustifiably, sending their land tax bills through the roof. It is creating a massive disincentive to own real estate. We have seen changes to superannuation tax in the Federal budget; a lot of money will be washing around in superannuation funds. But there is very little incentive to invest in real estate in New South Wales when people have to pay stamp duty to buy it, and they have to pay land tax and rates, and all these sorts of things.

This situation is going to impact on the availability of rental properties: it is going to force up the price of real estate; it is going to force up the cost of rents. When one compares that to the ease of owning shares with no stamp duty to pay on the purchase or sale of shares, no on-costs for owning shares, no land tax or rates, the incentive is greater to invest in the stock market than to invest in land. That is why we need significant reforms to land valuations. The Government has made some announcements about this, but reforms need to be put in place very soon. The New South Wales Government makes a lot of money out of land tax, and of course the Government needs money to run a government, but it is unfairly gouging out hundreds of millions of dollars from people who are going to have difficulty paying their land tax bills.

That is why the Coalition in New South Wales will oppose this legislation. We want to see significant reforms to land valuations in New South Wales. When those significant reforms are introduced, either by this

Government in the lead up to the next election or by a Coalition government after March 2007, then we will look favourably at giving the Valuer-General greater discretion and greater powers. But until such time, we will oppose this bill.

**Mr GEOFF CORRIGAN** (Camden) [10.15 a.m.]: I support the Valuation of Land Amendment Bill, which makes a number of changes to the Valuation of Land Act 1916 that will provide greater clarity and improve the operation of the Act. I would like to focus on some of the amendments that will lead to more accurate and timely valuations. Sometimes, after a parcel of land has been valued, a change may occur that affects the value of the land. For example, the zoning may change or the land might suffer some physical damage such as landslip. At present, if something like that occurs, the Valuer-General cannot make a new valuation of his or her own volition. The Valuer-General must wait for a request for a new valuation to come from a local council or other rating authority, and this delay could cause hardship to a landowner. It is important that the Valuer-General be able to carry out a new valuation as soon as possible after such a change has occurred.

This bill will amend the Valuation of Land Act to allow the Valuer-General to undertake a new valuation as soon as the Valuer-General becomes aware of a change in the land, without having to wait for a request from a council or rating authority. This will ensure that valuation information is kept as up to date and accurate as possible. Another example of the way in which this bill will improve the accuracy of valuation information is the amendment to section 28. This amendment will allow the Valuer-General to prepare a single valuation where land is contained partly in one valuation district—that is, a local government area—and partly in another district. This occurs in my area of Camden where people own land partly in Wollondilly shire and partly in the Camden Council area. At present, the Act says that the Valuer-General must value each part separately. In the past this has led to inaccurate and misleading valuations.

The Minister gave the example of a parcel of land that straddled two local government areas. The boundary divided the land into two parts—a small parcel and a larger parcel. The smaller parcel had road frontage but the larger parcel did not. Commonsense would suggest that this single block of land should be valued as one parcel in one valuation, but the present wording of the Act does not allow this. The Act requires that each part be valued separately as if it were a separate block of land. When valued separately, the small parcel had a low value because, even though it had a road frontage, council requirements for the setback of buildings meant the space available for building was quite small. The larger parcel had to be valued on the assumption that it had no road frontage because it was in a different valuation district, and so it too had a low separate value. When added together, the two values for the separate parts resulted in a much lower total value than if the parcel had been valued as a whole. A single valuation would have resulted in a more accurate reflection of the parcel's true value. The amendment to section 28 will prevent this absurd situation from arising in the future and will result in more accurate valuations in such circumstances. While minor amendments in themselves, they reflect the ongoing commitment of this Government to improving the strength and reliability of the mass valuation system.

I now turn to some comments made by the honourable member for Murrumbidgee. He talked about the money that would be washing around in superannuation funds and people's reluctance to invest in property. Larger superannuation funds invest in property trusts and they have diverse portfolios. It is no good having one's money tied up just in shares, it should be diversified: shares, futures and so on. It is no good having all one's eggs in one basket, as all responsible superannuation schemes acknowledge. I draw the attention of the honourable member to the parliamentary superannuation scheme or the State Superannuation Scheme. Those schemes have a diversity of investments and are highly supported; the trust managers are not discouraged from investing in New South Wales—in fact, I daresay the largest portfolio sharings for property returns are held in New South Wales. Meanwhile, I am pleased to support the worthwhile amendments contained in the bill.

**Mr DARYL MAGUIRE** (Wagga Wagga) [10.19 a.m.]: The honourable member for Murrumbidgee led for the Opposition on the Valuation of Land Amendment Bill and stated our position on it. I will focus on two issues specifically. The first concerns schedule 1 to the bill, which seeks to amend section 14A of the principal Act. It enables the Valuer-General to make new valuations of land on his or her own initiative at any time. At present certain land can be revalued only on the application of a rating or taxing authority. The second issue I raise is unit trusts and the application of land tax to them. It is no secret that this Government has an insatiable appetite for tax. Taxation in this State has increased under the Carr-Iemma regime, although the Government has back-pedalled recently and revoked some of the taxes that were particularly unpopular. For example, vendor duty caused great outcry among many small investors—particularly the mum and dad investors who are traditionally Labor Party voters. Thousands of people affected by that dreadful legislation complained

to me. I suspect that no matter how many backflips the Government makes in the next 10 months many of those people will not cast their vote for Labor again as they had done in the past.

Many articles were written about the effect of the land tax changes under the Carr taxation regime, which Premier Iemma has inherited. An article in the *Sydney Morning Herald* referred to the impact of the land tax increase on a couple who had intended to retire to their holiday house in North Avoca. Pensioner Bruce Wells bought the house for \$30,000 in the early 1970s when he was single and still living with his parents. The couple are fond of the old house and have maintained ownership of it over many years. But their land tax bill continues to climb and will hit \$1,664 next year. Suddenly the property has become a financial burden. Mr and Mrs Wells are not unique; they are just two of the 440,000 people who were caught up in the Carr-Iemma taxation regime overseen first by former Treasurer Egan and now by Treasurer Costa.

This bill aims to enable the Valuer-General to make new land tax valuations on his or her initiative and impose land tax that would traditionally have applied in increments. In the past local councils or other rating or taxing authorities would have sought land revaluations. This legislation will allow the Government to impose new taxes more quickly than has occurred in the past. People like Mr and Mrs Wells will feel the pain of this additional land tax impost. As land is opened up for development, the Government will have its hands in everyone's pockets—particularly those of homeowners who are struggling to purchase property in the Sydney Basin.

The bill will also impact on renters. There has been little focus on the fact that tenants will face the challenge of finding extra money to pay increased rents as a result of dramatically escalating land tax rates. Sadly, the Government has not given much thought to renters, who I imagine would vote for candidates from all political parties. Premier Iemma was pressured into executing his recent backflip on vendor duty but the Government's land tax regime continues to have an impact, particularly in the form of increased rents in Sydney. Land tax increases have forced landlords to pass on their costs to tenants. It is an impossible situation. According to one article I read recently, the rent on an investment property covered only the land tax bill and not the associated costs of owning and maintaining the property. That is the effect of this Government's tax regime. I believe schedule 1 to the bill will exacerbate this problem while filling the Government's coffers with the funds it hungrily demands more quickly than would have occurred under the former system.

Most people understand a little about investment, particularly superannuation funds. The honourable member for Camden said that superannuation funds will continue to invest in property. That is true. However, individuals also invest in property using a vehicle known as a unit trust. At present unit trusts are taxed by the New South Wales Government under an instruction that was issued sometime ago. The Office of State Revenue issued a directive that unit trust holders would pay land tax and that no ceiling would apply to the level of taxation. A ceiling of \$350,000 currently applies to individual investments. This means that if two individuals—a husband and wife, for instance—finance the purchase of an investment property by putting its ownership jointly in the hands of a superannuation fund and a unit trust they will not receive the benefit of the \$350,000 tax-free threshold. They will be taxed on their first dollar and on every dollar thereafter. If those individuals put the property in their name and did not use a unit trust the threshold would apply. The unit trust structure—which offers them absolutely no financial gain in terms of taxation—forces them to pay land tax on that property. That situation is iniquitous and the Government must address it.

If the two individuals who own the land jointly with a unit trust wish to transfer the property completely to their superannuation fund they will have to pay stamp duty. In addition, they will have to pay thousands of dollars in land tax that Bob Carr, and now Premier Iemma, applied for the one year—we should call it the backflip year—that all investors are compelled to pay. For example, the individuals will have to pay stamp duty of \$10,000 and land tax of about \$4,000 to transfer the property from the unit trust to a superannuation fund. That is a \$14,000 cost from which they will derive no benefit. The Government could solve this problem, and I urge it to examine the issue closely. In the meantime, the Government puts out its hand for the \$4,000 in land tax and looks gleefully for the \$10,000 in stamp duty.

I understand that the Office of State Revenue has written to unit trust holders—they do not number tens of thousands—because of a High Court decision delivered by Justice Gleeson. The case, which was heard initially in the Supreme Court of Victoria on 16 December 2003, dealt with the treatment of unit trusts. As a precaution, the New South Wales Government, or the Treasurer who controls the Government's finances, should have issued a directive to the director of the Office of State Revenue to investigate the problem and remedy it.

Why should two individuals who own land and property and who for financial reasons have structured their borrowings perfectly legally not have available to them the threshold of all other individuals? I understand the argument about superannuation companies and funds, but this situation is iniquitous and it should have been a priority for the Treasurer to revisit it. I understand that the budget is in such a precarious position that every dollar counts, but, sadly, people who have worked hard, invested and arranged their finances according to the law are now being treated harshly. I urge the Government to reconsider this legislation.

**Mr RUSSELL TURNER** (Orange) [10.30 a.m.]: As previous Opposition speakers have said, we oppose the Valuation of Land Amendment Bill for a number of reasons. The main concern is that the Valuer-General can now make valuations of land at any time where the circumstances of the land have changed without any real definition of the circumstances. A parcel of land may increase dramatically, which may reflect on adjacent land. People may estimate the value of their land tax liability when budgeting or setting rent, for example, yet through circumstances beyond their control the Valuer-General has the right to revalue the land, and people have limited recourse to increase the rent because of market forces and their budget is blown out of the water.

I can remember that not many years ago the Valuer-General valued land only every five years or so. Nowadays it seems to be that private contractors assess the land every 12 months. One could be forgiven for thinking that it is yet another tax grab by this ever-failing Treasury. People would not complain if this were a genuine tax. They might grumble but they would accept that they have to pay taxes. However, they believe that land tax is out of kilter with reality, especially in regional New South Wales, where Sydney investors are buying up land and property for investment purposes. However, there is no way that farming properties in particular will earn a return on investment based on farming activity. Non-farmers are buying properties for a lifestyle change or investment for the future and are subject to land tax.

The bill allows for people to object to a valuation within 60 days. The people I have spoken to who have objected have received some relief this year on their land tax liability but it is only deferred for 12 months; they catch up with them over the next three or four years. There is little consolation in making an objection within the 60 days time frame. The Valuer-General will catch up with people eventually. The Opposition is mainly concerned with the fact that people will be subject to a new valuation of land at any time beyond their control in certain circumstances. Often the Land and Environment Court does not have a proper grasp of the situation and does not adequately take into account the ability of people to pay the land tax liability for which they had budgeted.

The bill allows for multiple allotments to be subdivided into new allotments, with an allowance available to the original owners. Where rezoning has taken place the Valuer-General may revalue the land in surrounding areas. However, a landholder may have no intention to subdivide the land, whereas the value of land next-door reflects on the value of his land and, although the landholder may benefit from that increased valuation in the future, he may wish to keep the land to pass onto his children. However, he is subject to an increasing land tax liability and may be forced to sell the land earlier than intended. The Opposition opposes the bill for a number of reasons, the main reason being that the Valuer-General can, at whim, make a new valuation at any time purely to fill Treasury's coffers for all the wrong reasons.

**Ms GLADYS BEREJIKLIAN** (Willoughby) [10.37 a.m.]: I will contribute to the debate on the Valuation of Land Amendment Bill primarily because land tax issues are of immense concern to a great proportion of residents of the Willoughby electorate, particularly older residents on fixed incomes. They accept and understand that they must pay land tax, but the current volatility in the system is a huge burden for them to bear in relation to their future land tax. Regrettably, the bill does nothing but increase that uncertainty because it attempts to allow the Valuer-General to make a new valuation at any time where the circumstances of that land have changed.

Currently, a revaluation can only be made on application by a rating or taxing authority. I ask the Government to explain the rationale for this provision, especially given that councils or the Office of State Revenue can ask for a new valuation. There seems to be no reason for the Valuer-General to have this new discretion. I understand that Government members have said the bill does not pre-empt the Government's response to the Ombudsman's report, which was released last year. I refer the House to the Ombudsman's summary of the report released in October 2005 entitled "Improving the Quality of Land Valuations issued by the Valuer-General: A Special Report to Parliament under section 31 and section 26 of the Ombudsman's Act 1974". In conclusion the Ombudsman said on page 93:

I have found there is currently inadequate adherence to the controls employed by the Valuer-General to ensure the accuracy of valuations derived from the component method of mass valuation in New South Wales and that the provision of information to potential and actual objectors is also inadequate. Such conduct is unreasonable in terms of Section 26, Part 1 of the Ombudsman's Act. Accordingly I make the following recommendations based on the findings and issues that are canvassed in this report.

The report is a damning indictment of the current valuation system, and rather than addressing this serious issue the Government is pre-empting its own response to the valuation system by introducing a bill that not only gives the Valuer-General more discretion but makes no comment about the existing valuation method. That is an appalling way to conduct public policy and to manage a taxation issue that impacts on thousands of people across the State, many of whom are vulnerable and on fixed incomes. In fact, the bill does not even come close to addressing the 38 recommendations in the report.

The Government's response is that it has to fix the anomalies prior to responding to the Ombudsman's report, but the core issue in the Ombudsman's report is the current inadequate adherence to the controls employed by the Valuer-General to ensure the accuracy of valuations derived from the component method of mass valuation, and the inadequate information provided to potential and actual objectors. Such conduct is unreasonable. After nearly eight months what has the Government done in response? Nothing! Rather than address the serious concerns raised in the report, the Government has introduced an amending bill that does not go anywhere near fixing the problems raised by the Ombudsman. Instead, the bill increases the Valuer-General's discretion to from time to time make amendments to land valuations outside the normal cycle and process.

That seems to be a very inconsistent approach that will increase uncertainty for people liable to pay land tax and for various authorities who may or may not approach the Valuer-General from time to time in relation to those matters. It seems to be quite inappropriate for the Government to introduce this amending bill prior to producing its response to the major concerns raised by the Ombudsman in October last year. The bill does nothing to alleviate the major concerns in the community about volatility and the concern of those who are struggling on fixed incomes. On that basis I join with my Coalition colleagues in highlighting our concern about the amendment to section 14A, which is a retrograde step when one considers both the findings and recommendations of the Ombudsman in October last year.

I reiterate that the bill does nothing to alleviate major concerns in the community about land tax issues and the volatility in the system, the very concerns that forced the Ombudsman to make his report in the first place. The Ombudsman's report was instigated by people and other relevant bodies who approached him in writing about their concerns in relation to the inconsistent application of the valuation process and the volatility in the system. The Ombudsman produced a comprehensive report with 38 recommendations that hit at the core of the valuation system and highlighted its problems. Yet the first response from the Government to that report is this bill that merely increases the discretion of the Valuer-General as opposed to dealing with the substantive issues raised in the report.

That is an extremely unsatisfactory approach to public policy matters, and on that basis I support my colleagues in highlighting our extreme concern with the bill, particularly section 14A. I take this opportunity to reiterate to my constituents in the Willoughby electorate that I will use every opportunity to highlight their concerns and to read into *Hansard* their struggles every year in coming to terms with whatever their valuation is because of the current inaccuracies and inconsistencies in the system.

**Mr ANDREW FRASER** (Coffs Harbour) [10.42 a.m.]: I endorse the comments by the honourable member for Willoughby. I will expand on her comments in relation to section 14A. Currently, the people of the North Coast are going through what I term a land boom. My office has received a large number of complaints and inquiries about the valuation of land that my constituents say does not truly reflect the value of their property, which in many cases has been ignored by the Valuer-General. If land tax and land valuation legislation is to be brought before this House, we need to look at the system of valuation and taxation.

I have stated in this House many times previously that many people inherit a fibro shack on a block of land that they use as a weekender. Sometimes those fibro shacks were built on a block with no real land value and with very little in the way of services. Because they are an inheritance the people do not want to dispose of them. They may rent the property during some holiday periods but it is mainly used by family members. The weekenders are now subject to land tax and valuations. They are valuable properties to people who live in major metropolitan areas, on salaries that are in no way comparable with those earned in regional New South Wales. As a result, a far greater value is placed on that land by the Valuer-General. That means the owners have to pay land tax and in some case they have to sell the property because they cannot afford to hold on to it.

Of late some valuations have been made on the basis of properties sold in the immediate area. Often in developing areas on the North Coast such as Coffs Harbour, Woolgoolga or Sawtell the properties are attractive to investors to build medium or high-density units. The valuation of land nearby increases as a result of the prospective value of the land once it is improved, which is not the real value of the dwelling that was there. Once a valuation is imposed on the investment block, the valuation of the small three-bedroom fibro house on nearby land, say at Sawtell and Woolgoolga, increases accordingly. The value is not set in accordance with the use of the property but on the basis of a prospective value of the nearby property.

As a result, properties with water views, or with opportunity for unit or strata development, have been sold at very high prices. The Valuer-General does not look at the map in a true topographical sense, and consequently a nearby block in a hollow with no water views has the same value as the block that has water views and is attractive for development. As a result, council rates increase and people have to pay land tax for an investment property, and are being priced out of their properties. Rather than letting the Valuer-General do spot valuations which will give a land tax component back to the Government, which I think is very thinly disguised in this legislation, we should have a total overhaul of the valuation system.

In doing so we should acknowledge that, for example, at Sawtell some people have lived in their homes for 60 years and because of high valuations the annual rates for some pensioners are \$4,000—more than \$80 a week. They are being advised by council that they should borrow on the equity in their property and leave a debt to future generations. When the property is eventually passed on, the rates will have been kept at the current level and a debt is owed to council that has to be paid out of the sale of the land. That can be extremely distressing for those people.

We should have a valuation system that takes into account the fact that many of these people have been living in on the same housing blocks for many years, often in areas that were not popular 60 years ago when the properties were purchased. I am not referring to dwellings valued at \$200,000 or \$300,000 that may later be developed into blocks of units worth millions of dollars; these are often fairly humble abodes whose occupants are being rated out of the area because of unrealistic valuations. The Government and the Director General of the Department of Local Government may well say it is not the case, but these increased valuations create a flow-on effect, normally to people who do not have the ready cash in their pockets.

Woolgoolga is another area experiencing the same problem. Many of the properties in question are over the other side of the hill, but the valuation is done by looking at a map. The Valuer-General sees that a property in Woolgoolga is valued at \$X and decides that, therefore, a property in Trafalgar Street—three streets back—must also be valued at \$X. We really need to put a hold on this legislation and have a look at the real needs of property owners, especially in developing areas. I do not think the Government has given enough consideration to it; it is just another way of increasing the land tax of those who are unfortunate enough to have to pay it.

Not very long ago I cited how years ago people in regional areas frequently built a house on two blocks of land. Because each block has a separate title, the owner is obliged to pay double council rates. Even if the house is built across the boundaries of the land, one of the properties is deemed an investment property and therefore attracts land tax, and the owner is liable to pay land tax of \$4,000 or \$5,000 on top of the rates bill or an equivalent amount. Effectively, these people in their retirement years are being taxed at of existence.

Only last week I interviewed a constituent in my electorate office. Many years ago her husband decided to set up a family trust and they invested their superannuation in a new home on about five acres of land in the Woolgoolga area. They now find they have a land tax bill of \$11,400 because the property is the subject of a unit trust. In 2000 she and her husband were advised by the Government that a principal place of residence would be exempt from land tax, and they believed they were so exempt.

My constituent—an active and fit 72-year-old, who mows the block by hand—would like to have the arrangement reversed and the property registered in her own name, but she is faced with the prospect that the trust must be dissolved and the property sold. She must either pay an annual land tax bill of \$11,400 or, if she elects to have the property registered in her own name, the trust must be dissolved and she will be liable for stamp duty of an equivalent amount or more in order to have the property registered in her own name.

These are the sorts of problems that must be urgently looked at; we should not merely give the Valuer-General an opportunity to increase the value of the land and directly increase income to the State and to local government as a result. I implore the Parliamentary Secretary Assisting the Minister for Finance to put the case

to his caucus—because I feel certain that he faces similar problems in his western Sydney electorate. He should get his Government to look at this issue with a little more compassion and take into account that these people are being unduly penalised because of the current valuation system. The Government should introduce a bill that has bipartisan support and ensure that whilst it collects money from true investors, at the same time it provides relief to those who only want to get on with her lives.

**Mr ALEX McTAGGART** (Pittwater) [10.54 a.m.]: I wish to make only a brief contribution to the debate on the Valuation of Land Amendment Bill and to bring to the attention of the House a couple of points that were missed by Government and Opposition speakers so far. I have a real concern about the methodology of land valuation, particularly how valuations are based solely on sale price. In my electorate, waterfront and beachfront properties are purchased for a figure, often extensive renovations are undertaken, the sale price is significantly increased, and the valuations reflect that. I take issue with the schedule I amendments to section 14A, which will enable the Valuer-General to make a new valuation of land on his or her initiative at any time.

There has been no explanation as to why this provision should be inserted and there has been no consultation about it. The issue that both Government and Opposition speakers failed to raise is that in Pittwater there are more than 1,000 waterfront properties that have Crown land leases or licences attached to them. These are jetties, boatsheds and pieces of waterfront land that have been reclaimed over the past 100 years, but they constituted leases or licences and the rental for them, under the Crown Lands Act has been linked to the land valuation of the property to which they attach. These are significant lease fees that have been passed on to people who may not necessarily be cash rich; who have held their properties for a long period of time, are older and may be in receipt of the pension.

I am sure this is also the case with people who live in Hunters Hill, the Georges River area and wherever there are waterfront properties on the estuaries of Sydney and in Sydney Harbour. No explanation has been given and no consultation has been entered into. Speakers in the debate have neglected to mention the third tier of taxation, that is, the increased leasehold fees on waterfront properties, which are linked to land valuations. I believe we need to bear that in mind, and to consider all the aspects of the tax. After all, valuation is the basis for taxation.

**Mr MICHAEL RICHARDSON** (The Hills) [10.57 a.m.]: As many speakers before me have said, the Opposition will oppose this bill, because we are very concerned at the increased discretion it will vest in the Valuer-General not simply to make a new valuation of land at any time when the circumstances of that land have changed but, essentially, to increase the valuation of the land. The Parliamentary Secretary gave an example of subdivided land in respect of which the Valuer-General would increase the value of the land. This means it is going to increase the rake-off of tax to this rapacious Government. I do not know whether honourable members are aware, but there has been a 223 per cent increase in the amount of land tax this Government has been garnering from the citizens of New South Wales over the past 10 years.

That is an enormous impost on people, many of them my constituents, who are saving for their retirement and who have deliberately chosen an investment in property as an alternative to going on to the public teat and taking the age pension. I should have thought those people would be applauded and rewarded for their efforts in attempting to look after themselves in their retirement. Instead, the Government seems intent on punishing them for having the temerity to actually buy a property or properties—usually with a very substantial mortgage, I might add. The New South Wales Ombudsman, in his report of October last year entitled "Improving the quality of land valuations issued by the Valuer-General", was highly critical of the way in which the Valuer-General currently is discharging his duties. The Ombudsman said in the report following his investigation:

The Australian standard of a margin of error in mass valuations of + or – 15% is in line with international practice. The Valuer General adopts this standard on one statistical measure but the procedures manual inconsistently expects a 5% margin of error in another. The investigation was able to compare outcomes against these measures for residential sales in a sample of 43 valuation districts in 2004. We found only 31% of sales on average met the strict 5% margin of error and only 66% of sales across the sample were within the acceptable 15% margin of error. The distribution was not uniform. We found 21% of the sample districts had more than half their sales outside the acceptable 15% standard and 44% had more than 40% of their sales outside the range. In six districts more than two thirds of the sale properties had variations of more than 15%. Further analysis revealed almost one in six districts had more than a third of their sales with percentage errors above 25% and almost a quarter had more than 10% of their sales with variations more than 40% between the adjusted analysed land value and the issued valuation.

These are major discrepancies. And, of course, the legislation before the House does nothing to try to address those problems. Indeed, it is designed—so far as we on this side of the House can tell—to allow the Government to rip still more dollars out of the pockets of landowners. Many of those landowners are my constituents who have bought properties to look after themselves in their retirement. They are being slugged massive amounts in land tax. This tax, given the poor rate of rental returns these days from rental properties, makes the whole exercise unviable.

I have a number of letters from constituents pointing to problems they are encountering with the current system. The first is from D. J. Taylor of OzPacific Resources Pty Ltd, who says that his 2005 land tax increased by 94 per cent compared with the previous year. And that was on top of increases totalling about 90 per cent over the previous five years. That is an enormous impost on Mr Taylor. Lynn Butler wrote to me and referred to a letter to the former Premier, Bob Carr:

We have two properties (and one Mortgage) on the Central Coast. Nothing flash; no water view; small areas of land. One to live on and one to rent to obtain living money. This year [the] Land Tax is \$3,166.00. Last year [the] Land Tax was \$1,124.10. That is almost a 300% INCREASE. IN ONE YEAR!

She, like so many others of my constituents, did not receive a response from Premier Carr. Mr Gary Hughes of Cherrybrook wrote:

My taxable income last year was \$22,989 and out of this I pay income tax of \$2,896. My land tax liability has increased by 566% this year to \$1584. This leaves me with \$18,509 to keep a house and a family. I am cash poor. Return from rent is not good. We have been living a meagre existence and going backwards financially in recent times.

This is a typical investment property owner that this Government is almost suffocating under the weight of its property and other taxes. Mr Trevor Shelverton wrote to me saying:

My wife and I are small investors owning three investment properties between us. We have purchased the properties over the last few years in an effort to fund our retirement as we won't have much superannuation...

Each property is owned 50% in my name and 50% in my wife's name, but we only got one tax threshold between us.

This is an anomaly that needs to be addressed. They get only one tax threshold even though they own the properties in joint names. Mr Shelverton continues:

The land value of all three properties adds up to \$449,850 and after the threshold ... was deducted we then had to pay tax ... In 2004 we paid \$2358.

That is a big tax slug. John and Trudi Heath of Cherrybrook wrote to me. Mr Heath said that he had bought an old house on the Central Coast in 1994 for \$165,000. He said prices had "gone up a lot and the land value is now \$419,000" and he has to pay \$1,714 this year in land tax—up from virtually nothing. Those are but a sample of the letters that have been received in my office. I know that members from both sides of the House would have received large numbers of letters relating to problems with the current land tax system.

The Ombudsman, in his report, drew attention to a range of problems relating to the land valuation system operating in this State. In the conclusions to his report, he mentioned those. They are: the deterioration in the quality of base line data; inadequate time to undertake valuations; inadequate time and resources for contract managers to quality assure proposed factors and values; inadequate observance of standards for component composition and benchmark selection; inadequate monitoring of valuation outcomes; inadequate resourcing of the contract management function; and poor quality control of objection processing. The word that really stands out in those items is "inadequate".

It is very clear that the current system is inadequate. What measures has the Government taken to try to address the issues? The answer is: virtually none. It has put before the House a bill designed to increase its tax take, designed to make it even harder for small property owners in this State to make any money whatsoever out of property, and designed to make it harder for mums and dads to save for their retirement. That is a disgrace, and that is why we on this side of the House are opposing the bill.

**Mr DAVID BARR** (Manly) [11.06 a.m.]: A tax that is to be imposed needs to satisfy a number of criteria, including transparency, consistency, reliability, predictability, fairness and perceived fairness. The land tax currently imposed does not satisfy those criteria. Those who pay the tax find that they are not able to have explained to them how their valuations came about. That there are many discrepancies in valuations, even in small areas, leaves a lot of people very dissatisfied with not only the levels of increases they have had to pay—in my electorate, the valuations received by many people have been raised by more than 100 per cent; they are dissatisfied also with the many discrepancies as between areas and the fact there is no transparent accounting as to how those discrepancies came about.

A Seaforth resident, Mr George Citer, and thirteen other residents came to see me. They pointed to many inconsistencies in the Seaforth area. They wrote to the Valuer-General seeking a review. So did I. He is undertaking a review of an entire precinct in that area. A person from Balgowlah was given a list of comparative properties, including units at North Stein. It is a case of chalk and cheese in the valuations as between parts of Balgowlah and North Stein. There must be fairness and perceived fairness in the implementation of a tax, and it must be seen that there is a scientific basis to that tax. Those are certainly not the perceptions out there in the community.

The Government has not explained—I do not know whether it can do so adequately—how land valuation is achieved. We know that markets vary, and that we have undergone a boom in land prices. But there was a slump in the market last year. We also know there are lags between the time that Valuer-General people do their valuations and what is actually happening in the marketplace. So, at a time when the property market had gone south somewhat, valuations were still reflecting a notion that market values were still high. This issue of land valuation must be tidied up very significantly. There needs to be provision to average values over a number of years to allow for fluctuations in the market, so that people are not hit with large imposts at a time of a slump in the marketplace.

The entire system is very unsatisfactory. There is no consistency between properties. There is no reliability in the way valuations are done. There is no predictability: landowners cannot predict with any certainty how much they will owe, which, in itself, is not fair. There must be a rational, predictable, fair system, but at the moment there is not. There is a long way ago to improve the system. The bill does not address some of the fundamental issues. The Government should consider it very seriously.

**Mr GRAHAM WEST** (Campbelltown—Parliamentary Secretary) [11.10 a.m.], in reply: It is not for me to give Opposition members advice, but now that the shadow Minister has walked back into the Chamber I urge them to reconsider their opposition to the bill when it reaches the other place; if they do not their actions will have unfortunate and unintended consequences for a lot of people. We have already discussed some of the various things the bill does, such as improving opportunities for mum and dad investors and amending the definition of subdivider in section 14S to clarify that land owned by two or more people will qualify for a subdivision allowance, which is something I would have thought those opposite would regard as a good thing. The bill will clarify that a person may object to a valuation after receiving a land tax assessment without having to wait for formal notice. These are good things.

Section 14A, as amended by schedule 1 [1], has been mentioned several times, and is a two-way street. Flexibility for the Valuer-General will benefit landowners whose land has lost value through land slippage, erosion or flooding, which has resulted in significant changes to that parcel of land. By opposing the amended section 14A, which allows the Valuer-General to intervene and reduce the valuation, the Opposition may prevent landholders from having their rates lowered. By opposing section 14A the Opposition will create a burden for local country councils facing the separation of land and water, which will impact on council rates. Information that can be provided to councils by the Valuer-General under this amendment will not be able to be delivered.

I urge those opposite, particularly members of The Nationals, to discuss this matter with the Local Government and Shires Associations and local country councils before opposing the bill in the other place. Although most of the amendments are of a minor nature in general, they reflect the Iemma Government's ongoing commitment to the underlying strength and reliability of the massive valuation system. If the Opposition were serious about doing something for people with land tax burdens they would join with us in our campaign to avoid the \$3 million GST rip-off. In division 3, section 19 clearly states that the Treasurer has the power to determine the size and timing for grants payable to the States. I urge the Opposition to support our reforms to land valuations. I commend the bill to the House.

**Question—That this bill be now read a second time—put.**

**The House divided.**

**Ayes, 49**

Ms Allan	Mr Gibson	Mrs Paluzzano
Mr Amery	Mr Greene	Mr Pearce
Ms Andrews	Ms Hay	Mrs Perry
Ms Beamer	Mr Hickey	Mr Price
Mr Black	Mr Hunter	Ms Saliba
Mr Brown	Ms Judge	Mr Scully
Miss Burton	Ms Keneally	Mr Shearan
Mr Campbell	Mr Lynch	Mr Stewart
Mr Chaytor	Mr McBride	Mr Tripodi
Mr Collier	Mr McLeay	Mr Watkins
Mr Corrigan	Ms Meagher	Mr West
Mr Crittenden	Ms Megarrity	Mr Whan
Mr Daley	Mr Mills	Mr Yeadon
Ms D'Amore	Mr Morris	
Mr Debus	Mr Newell	<i>Tellers,</i>
Ms Gadiel	Ms Nori	Mr Ashton
Mr Gaudry	Mr Orkopoulos	Mr Martin

**Noes, 36**

Mr Aplin	Mrs Hopwood	Mrs Skinner
Mr Armstrong	Mr Humpherson	Mr Slack-Smith
Mr Barr	Mr Kerr	Mr Souris
Ms Berejikian	Mr McTaggart	Mr Stoner
Mr Cansdell	Ms Moore	Mr Tink
Mr Constance	Mr Oakeshott	Mr Torbay
Mr Debnam	Mr O'Farrell	Mr J. H. Turner
Mr Draper	Mr Page	Mr R.W. Turner
Mrs Fardell	Mr Piccoli	
Mr Fraser	Mr Pringle	
Mrs Hancock	Mr Richardson	<i>Tellers,</i>
Mr Hazzard	Mr Roberts	Mr George
Ms Hodgkinson	Ms Seaton	Mr Maguire

**Pair**

Ms Burney

Mr Hartcher

**Question resolved in the affirmative.****Motion agreed to.****Bill read a second time and passed through remaining stages.****PIPELINES AMENDMENT BILL****Second Reading****Debate resumed from 10 May 2006.**

**Ms PETA SEATON** (Southern Highlands) [11.22 a.m.]: I lead for the Opposition on this bill and indicate that we will not oppose it. The purpose of the bill is to streamline gas and fuel pipeline approvals. Anything that we can do to tidy up and streamline that process to make sure that the provision of essential infrastructure, particularly in the area of power and fuel, is made more effective, more efficient and more cost effective is obviously very important and something that we would not stand in the way of. Under the existing Pipelines Act 1967, applicants currently have to undertake a complex process that can extend over many months, including applying for a permit or an authority to survey to determine the route, and that involves necessary consultation and concurrence with five or more Ministers, including the Minister for Transport, the Minister for Local Government, the Minister for Planning, the Minister for Commerce, and the Minister for Roads. An applicant also would have to apply for a licence to construct and operate, and, again, five or more Ministers would be involved in the concurrence and approval process for that. In addition, there is a role for the Governor to grant a licence.

As the Government has explained, the Act predates both the Environmental Planning and Assessment Act 1979 and the introduction of a number of improved occupational health and safety and other regulatory frameworks that protect necessary safety and licensing issues that were not in effect at the time that the Pipelines Act came into operation. This bill repeals the old permit stage and the seeking of permits to determine pipeline routes. Under this legislation, stakeholder Ministers will need to be notified instead of being consulted and having their concurrence sought. The licensing stage is retained in relation to the Minister for Energy. The assessment and approval process and consideration of later variations will wholly occur under the Environmental Planning and Assessment Act 1979, as with other infrastructure projects and development applications. That is a matter with which the Opposition agrees. It is important to align and make those processes as consistent as is possible.

But, of course, the licence is still required under the principal Act. The bill will transfer from the Governor to the Minister a number of functions which the Opposition regards as a sensible move. These functions include the granting and cancelling of pipeline licences. As I understand it, in the past pipeline

licences have been for a finite period up to a maximum of 21 years. I imagine that would require the regular renewal of a licence for periods of less than the maximum of 21 years and presumably that would result in much more cost, more time and more delay. This bill changes the provisions so that licences will be offered for a definite period, but no greater than a 21-year period, rather than for prescribed periods. In the sense that we all understand that infrastructure projects require long-term certainty and consistency, that would seem to be a welcome change.

The legislation also makes it clear that public authority pipeline licences are not required for water supply projects or for mine water and waste water supply. That is because organisations such as Sydney Water and the Sydney Catchment Authority have their own processes, which are set out in their own legislative provisions. However, I am advised by counsel for the Government that, while this has never been done before, there is potential for private water pipeline applicants also making use of this legislation in private pipeline applications for water provision. That is something that the Opposition will monitor in the future to make sure that the legislation is effective for private applicants and contestable entrants who will become involved in what is currently a monopoly among many utilities.

The legislation also ensures that current applications are not delayed and are not forced to restart under the new arrangements. The bill gives the Minister discretion in setting up pipeline committees which will have a general advisory function. I inquired of Government counsel what exactly that meant and what is the current role of the pipeline committees. I was told that those provisions are seen to be fairly dormant and that the committees do not exist currently, although they may well exist in the future. I will be interested to know from the Minister a little bit more about what motivated the changes to the committee structures and what he has in mind for the future.

There is no doubt that any provisions that will improve the consistency of the assessment and approval system for pipelines as well as other planning decisions is a good step forward. Anything that halves or otherwise reduces approval time for major infrastructure projects is obviously a step forward. It is important to note that normal requirements of the applicant to negotiate with landowners and for the consideration of compensation arrangements under the Land Acquisition (Just Terms Compensation) Act are not affected by this legislation. It is important that in planning for major infrastructure projects we also ensure that the interests of landowners and other stakeholders are properly respected in striking a balance between ensuring that we have sufficient infrastructure to meet our needs and respecting and compensating, when appropriate, people who bear the burden of that requirement.

The Government has emphasised that the bill is necessary, not only to create more general certainty and efficiency in the provision of pipeline infrastructure, but also because of the proposed private gas pipeline project from Queensland to the Newcastle and Hunter areas. The Coalition is aware of the proposal and is keen to support the expansion of job opportunities and infrastructure in the Hunter Valley and, indeed, in other parts of New South Wales. That is important for our economy, and the Coalition welcomes any changes that will ensure that major projects of that calibre have the best possible opportunity to flourish and be successful. We are aware also of the Munmorah and Tallawarra gas-fired proposals, which will require pipeline approvals in due course if they proceed.

As I have said, the Opposition will not oppose the bill. However, I was rather surprised to find in my consultations with industry stakeholders a degree of surprise that the bill was introduced without direct consultation with them on the detail of it. Many industry stakeholders expressed their frustration; they have been arguing for years for changes of the sort contained in the bill. In that sense, the changes are long overdue. Why has the Government waited so long to introduce the bill and, having brought it forward, why did it not take the opportunity to show it to the stakeholders most interested in it before it was introduced? Had the Government consulted the stakeholders they would have been assured that there were no anomalies or difficulties in the detail of the bill that ought to have been ironed out.

I acknowledge the assistance I received in the response from the Australian Pipeline Industry Association. I congratulate the association and others on their advocacy over several years to have some inefficient and duplicative arrangements cleaned up. I acknowledge the assistance of the Australian Pipeline Trust in its response to my concerns about the bill. I note also that there are some concerns about the capacity for further streamlining. For example, in his second reading speech the Minister for Energy said:

The current criteria for land access will be continued without amendment.

There is some industry concern that that is another area that could benefit from further streamlining. I hope the Government notes that concern. It is exactly that sort of detail that could have resulted in improvements, had the

Government bothered to show the bill to industry stakeholders before it was introduced. Improvements could have been made to further secure the future of the industry and our infrastructure. I acknowledge also the assistance of the Minister's office and legal counsel of the department. I thank them for their help in answering some of my questions about the detail of the bill.

The Opposition believes that for too long New South Wales has suffered from a lack of infrastructure renewal and lack of proactive planning for near-term, medium-term and long-term infrastructure requirements. We are literally running out of water, electricity, transport capacity, skills capacity and a number of other essential components of a healthy, complex and growing economy. That is an indication that for the past 10 years the Government simply has not taken those issues seriously. The Opposition welcomes any improvements to legislation that will bring a more effective, cost-effective and beneficial infrastructure roll-out in New South Wales. However, again I ask why the Government did not bother to show the industry and concerned stakeholder groups the detail of the bill before it was introduced so that other improvements could have been suggested and the Government could have responded to those suggestions.

**Mr DARYL MAGUIRE** (Wagga Wagga) [11.34 a.m.]: The Government undoubtedly tries to come to grips with the need to invest in new generation technologies, and to provide infrastructure, particularly electricity generation capacity. The House is currently debating the sale of Snowy Hydro, which involves electricity generation and pipelines. Two weeks ago the House dealt with a bill involving transmission line easements. The honourable member for Southern Highlands, who led for the Opposition in this debate, dealt in detail with the bill.

I have read the Minister's second reading speech. I take a special interest in the supply of the basic necessities—electricity, water and gas. As I have said previously, there are easements on my properties, as there are on many thousands of other properties. It would be remiss of me to not take particular interest in a bill that affects easements. The Minister's second reading speech lacks detail. This is the second time that the Minister for Energy has introduced a bill and failed to adequately explain it and to deliver the detail that I am sure companies involved in the provision of infrastructure want to hear. I paid particular attention when he said:

The existing multi-stage approval process of the Pipelines Act is time consuming and inefficient.

I agree that wherever possible processes need to be streamlined and red tape cut out. Today many legislative requirements are double-ups. The Minister continued:

Currently, anyone wishing to construct a pipeline under the Act must apply to the Minister for a permit to enter lands to determine the route of the proposed pipeline ...

The current criteria for land access will be continued without amendment.

I thought that inclusion was rather odd. The Minister also said:

In repealing the permit stage, the voluntary authority to survey is reinforced to ensure the pipeline proponents can investigate and determine possible routes for the proposed pipeline and undertake any necessary examination and testing. Under the amendments introduced by the bill the grant of an authority to survey will become subject to the Environmental Planning and Assessment Act. Obtaining an authority to survey will remain entirely voluntary.

To ensure that I understood what the Minister was trying to convey, I obtained a copy of that Act. I note that section 5E of the Pipelines Act 1967 refers to a prescribed fee. That is what the Minister wishes to delete. I ask the Parliamentary Secretary to advise, in his reply, how that fee will be structured. Will it still apply to the proponents of the pipeline? Where can one gain that information? Will there be an increase? I assume there will be, because everything in New South Wales goes up. Not much comes down, including hospital waiting lists. It is important that proponents can ascertain the finer detail that the Minister has conveniently glossed over, as he tends to do, with a bit of spin and not much substance on an important bill.

I will not refer to the rest of the speech but the part that really concerns me relates to the proposed omission of section 5E. I would like the Minister to inform me how the prescribed fees will be set and who will have carriage of that function. I assume it will be the Minister but it would be beneficial if there was transparency in the fee-setting process. The problem faced by the Government is not unique. I said earlier that New South Wales needs infrastructure development. An article in this morning's *Australian Financial Review* reveals that the same problem is occurring in Western Australia with the proposed commissioning of a new gas-fired base load power generator. A pipeline must be constructed in Western Australia. The development programs for other gas users along the pipeline are running behind, which means that some urgent work will have to be done to deliver necessary infrastructure.

While I am referring to the delivery of gas pipeline infrastructure, I should inform the House that last week Vinidex, a company that manufactures gas pipelines, announced that it is to locate its operations in Wagga Wagga. That is wonderful news for our city. I am pleased to welcome this development. It will mean about 35 jobs, many millions of export dollars and commercial profits for the local economy. The company operates in a number of regional centres, and for good reason. In country areas there is an adequate supply of land, council rates tend to be far lower than those in the cities, business do not face the same restrictions they face in bigger cities and the work force is reliable.

Those are some of the reasons Vinidex chose Wagga Wagga. Importantly, it chose Wagga Wagga because it is located halfway between Sydney and Melbourne and provides easy access to Adelaide. Wagga Wagga has connections with the world through Rex airlines. It also has a container terminal and is able to process raw material and transport out the finished product. I welcome this company's wonderful investment in our city. When the gas pipelines are constructed I hope Vinidex lodges tenders for the supply of material. That will ensure the continued provision of infrastructure in New South Wales and result in major benefits to our region. It is good news.

**Mr NEVILLE NEWELL** (Tweed—Parliamentary Secretary) [11.42 a.m.], in reply: I thank all honourable members for their contributions to the debate on this most important bill. The main purpose of the Pipelines Act is to facilitate the construction, operation and regulation of major pipeline projects, particularly oil and gas transmission pipelines. Water supply pipelines constructed by the private sector may also be licensed under the Act. The amendments in the bill will simplify and streamline pipeline approvals and improve the environmental assessment of major pipeline projects. The bill ends the permit scheme under the Act and applies the provisions of the Environmental Planning and Assessment Act to pipeline approvals.

**Mr John Turner:** Point of order: This practice occurs time and again. The Parliamentary Secretary is not replying to debate on the bill; he is making a second reading speech. The Parliamentary Secretary must address what was said in debate and not make a second reading speech. I ask him to do that.

**Madam ACTING-SPEAKER (Ms Marie Andrews):** Order! I am sure the Parliamentary Secretary will respond to what speakers in the debate have said.

**Mr NEVILLE NEWELL:** The amendments will help to facilitate the timely construction of major infrastructure projects to improve pipelines. One such project, the Hunter-Queensland gas pipeline, which spans approximately 850 kilometres from Wallumbilla in Queensland to Hexham in New South Wales, will supply gas to industry and to consumers. This \$700 million project, which will generate some 800 short-term and 150 long-term jobs, will contribute to the economic prosperity of the Hunter region. The proponents of this major pipeline project have expressed support for the bill. The amendments will assist in making the approvals process that applies to this project more streamlined and enable the State's significant infrastructure project to be realised. The bill cuts red tape without reducing the responsibility of pipeline proponents to undertake fair and reasonable negotiations with landowners. I commend the bill to the House.

**Motion agreed to.**

**Bill read a second time and passed through remaining stages.**

## **CONVEYANCERS LICENSING AMENDMENT BILL**

### **Second Reading**

**Debate resumed from 10 May 2006.**

**Mr JOHN TURNER** (Myall Lakes) [11.46 a.m.]: The Opposition does not oppose the bill but again notes that the Government just cannot get it right. The Conveyancers Act is only three years old and it now has to be revisited to be fixed up. The bill specifically provides that persons qualified as legal practitioners will be disqualified from holding a conveyancer's licence under the Conveyancers Licensing Act because of perceived problems with consumers or regulators not knowing whether the Legal Profession Act or the Conveyancers Licensing Act applied to conveyancing work undertaken. It is claimed that might result in confusion in relation to compensation and penalties. I am not sure that this matter should result in disqualification; it could be remedied by persons holding both certificates simply nominating at the time of taking instruction under which Act they are proceeding.

As I said, the Opposition will not oppose the bill. However, we note that this change to the bill could have been more easily applied. The Law Society is satisfied that its concerns relating to this bill have been addressed. One of those concerns related to the use of the word "disqualification" as it applies to a legal practitioner partnership or incorporated practice deemed to be disqualified from holding a conveyancer's licence. The term "disqualified" conjures up the image of bankrupt persons or those subject to a court order disqualifying them from holding a licence. The Law Society asked that a separate provision disentitling legal practitioners from holding a licence should be included. Section 10 (1) (p) has been amended to facilitate that request. However, the principal heading of section 10 remains the same, that is, "Disqualified Persons."

The disqualification and trust accounting provisions will be aligned with the Property, Stock and Business Agents Amendment Act, which was debated in this House on 1 March 2006. I note also that the licensing provisions relate to the disqualification provisions. At present disqualification of a director or person can only occur when that director or person has been concerned in the management of a corporation subject to a winding up order. For the want of a better word, there is presently a loophole in that a director or a person can easily escape disqualification by resigning, say, a day before a company becomes subject to a winding up order.

The changes mean that the director or person, subject to his or her actions, could be disqualified when he or she has been involved in the management of the corporation up to 12 months before it became externally administered. The bill contains a provision for extending the discretionary powers of the commissioner to allow undischarged bankrupts to be granted a licence but only on consideration of any bona fide action they took to avoid bankruptcy or, in the case of a corporation, the appointment of an external administrator before it got to the crucial position of unavoidable bankruptcy or administration.

The term "controlled money" will be removed and, in effect, all money that is handled by the conveyancer will be treated as trust money in accordance with the trust requirements. As a result there will be ancillary changes in relation to the identification of individual trust funds. I find proposed section 56, "Licensee to notify trust account becoming overdrawn", rather peculiar. That notification must occur within five days of the account becoming overdrawn. I must ask: Why even contemplate that a trust account would become overdrawn? Unless the money is in there it cannot be taken it out—it is as simple as that.

That is the basis of trust accounts. Prima facie, if the trust account is overdrawn it could give rise to a fair and reasonable suspicion that there have been shenanigans in relation to the trust account. If the Government thinks the amendments in proposed section 56 will fix the problem by requiring the licensee to notify the director general in writing within five days of becoming aware that the trust account is overdrawn, it is living in a different land. Indeed, if a person has overdrawn a trust account it is more than likely he or she will be in a different land. The Opposition does not oppose the bill.

**Mr ALLAN SHEARAN** (Londonderry) [11.50 a.m.]: I support the Conveyancers Licensing Amendment Bill. The bill includes important amendments to ensure that the respective regulatory schemes for conveyancers and lawyers continue to be administered effectively and clearly. The bill also streamlines the trust accounting process for conveyancers, thereby reducing red tape, and more closely aligns the licence disqualification provisions of the Conveyancers Licensing Act with those applying to property, business and stock and station agents. By way of background, many honourable members will remember that licensing for conveyancers was introduced in 1992. At the time, the reforms caused a bit of a storm. They broke a monopoly held by the legal profession by allowing suitably qualified persons apart from solicitors to undertake certain conveyancing work.

The Conveyancers Licensing Act 1992 expanded consumer choice only partially, and was replaced by comprehensive legislation introduced by the Government in 1995. The Government's 1995 Act enabled conveyancers to undertake commercial, rural and personal property transactions, not just residential conveyancing. The 1995 Act was then reviewed under the national competition policy and Parliament passed new legislation in 2003. The conveyancing profession is alive and well and the fuss from all those years ago is but a distant memory. Today there are 652 conveyancers licensed in New South Wales by the Office of Fair Trading compared with 280 in 2001. While about 45 per cent of licence holders work for legal practices, there are also 255 independent conveyancing businesses operating throughout country and metropolitan New South Wales, providing strong competition for lawyers. The conveyancing sector continues to grow steadily, with more than 100 new licences granted just since last July.

The amendments in the bill are necessary to put beyond any doubt how the respective laws apply in relation to legal practitioners and conveyancers. The bill seeks to amend the Conveyancers Licensing Act 2003

so that legal practitioners and incorporated legal practices are not eligible to be licensed under the Act. Consumers seeking conveyancing services must be able to identify clearly whether they are dealing with a conveyancing firm regulated under the Conveyancers Licensing Act or a law firm regulated under the Legal Profession Act. It is also essential that the jurisdictional boundaries are clear for the agencies responsible for administering the two regimes. That is especially the case in the—thankfully rare—circumstance when a consumer's money goes missing from a trust account. If that were to occur in the office of a legal practitioner who was also licensed as a conveyancer it would be difficult to determine whether the indemnity fund under the Legal Profession Act or the compensation fund under the Property, Stock and Business Agents Act would be liable for any claim. Similar issues could arise in the event of a breach of the legislation or a costs dispute.

The potential for lengthy legal and jurisdictional arguments, which may have to be resolved in court, would undermine the effective administration of both the Legal Profession Act and the Conveyancers Licensing Act. However small the risk may be, consumers caught in the middle of such a scenario would not be well served by either regulatory regime. The bill addresses that problem by providing that Australian legal practitioners, solicitor corporations and incorporated legal practices are disqualified under the Conveyancers Licensing Act and, therefore, are not eligible for a conveyancer's licence. The amendments will not have any anti-competitive consequences by excluding legal practitioners from holding licences. Legal practitioners have always been able—and will rightly remain able—to do the work done by licensed conveyancers.

Since 1992, when separate licensing for conveyancers was introduced in New South Wales, the provision of conveyancing services has developed as a highly competitive area of business. Today's consumers are well aware of the benefits and cost savings of using the services of a qualified, licensed conveyancer as an alternative to those of a solicitor when buying and selling property. That is borne out by the fact that the proportion of conveyancing transactions conducted by conveyancers has increased steadily since the introduction of licensing, particularly in the residential market. The Conveyancers Licensing Act plays a vital role in supporting a competitive and healthy marketplace for conveyancing services.

The amendments in the bill will ensure that the licensing scheme for conveyancers continues to be administered effectively for the benefit of consumers and the industry alike. As the Minister for Fair Trading said in her second reading speech, these amendments were identified during the detailed preparations necessary to commence the new Act. The Minister has taken a sensible approach by seeking to ensure that these matters are clarified and put beyond any doubt. By doing so, the Minister and the Government are ensuring that a clearer and more straightforward legislative framework for consumers, conveyancers and lawyers will result.

**Mr MICHAEL DALEY** (Maroubra) [11.56 a.m.]: I support the Conveyancers Licensing Amendment Bill, which amends the Conveyancers Licensing Act 2003. The amendments are necessary to clarify the Act's application to lawyers, in particular, but also to ensure greater consistency with certain relevant related provisions of the Property, Stock and Business Agents Act. I am particularly supportive of the amendments in the bill that will streamline the trust accounting arrangements and reduce unnecessary red tape for conveyancers. Reducing red tape across the board for business and industry in New South Wales is a tenet of the Iemma Government.

As the Minister noted in her second reading speech, the amendments aim to modernise the Act's approach to trust accounting and bring it in line with the requirements applying to property agents. Parts of the current trust accounting requirements for conveyancers are similar to those for property agents. For example, trust money must be deposited and held in the conveyancer's trust account until it is paid to the person on whose behalf it is held, or disbursed in accordance with that person's instructions. However, the Act currently provides that when a client requests a conveyancer to invest funds in an interest bearing account the funds must be treated as "controlled" money. This money is subject to separate provisions for investment, accounting and reporting purposes.

The bill removes the separate accounting regime for "controlled" money and adopts a single streamlined set of requirements that will apply to all money received by a conveyancer. Those requirements already apply to property agents. The removal of the "controlled" money provisions will not mean that conveyancers' clients lose the right to have money invested in a separate interest bearing account. Money will still be able to be held in a separate trust account opened by the conveyancer for the client. Any money held in a separate trust account will be required to be paid out in accordance with clients' directions and accounted for in the same way as trust money placed in a general trust account.

The Property, Stock and Business Agents Act sets out a similar comprehensive and efficient scheme for ensuring that trust money is accounted for and managed properly, and the amendments in the bill recognise that

trust money held by conveyancers will be dealt with in the same way. In all respects, consumers' funds remain adequately and appropriately protected, which is the most important thing. There is simply no logical reason to maintain the current separate accounting processes for conveyancers. The streamlining of the trust accounting scheme will reduce unnecessary red tape and costs for conveyancers, as they will no longer need to comply with two sets of overlapping accounting requirements.

The bill amends the licence entry requirements under the Conveyancers Licensing Act. The 2003 Conveyancers Licensing Act introduced new administrative frameworks for the licensing and discipline of conveyancers, based on the provisions currently in place for property agents and valuers. It is appropriate that similar licensing and disciplinary provisions apply to persons working in the various related sectors of the property services industry, including conveyancers. In both the property agency and conveyancing sectors, licensees occupy a position of great trust with their clients, including being responsible for the security of large amounts of money held on their behalf. The legislation recognises this by restricting the privilege of holding a licence to appropriately fit and proper persons, and excludes those who have demonstrated irresponsibility in their past financial dealings.

The Property, Stock and Business Agents Act provides a number of grounds which disqualify a person from holding a licence on the basis of bankruptcy or involvement in an insolvent company, and those provisions are duplicated in section 10 of the Conveyancers Licensing Act 2003. Some of the grounds for disqualification have required finetuning because of gaps that became apparent in the first two years of the operation of the Property, Stock and Business Agents Act. Several amendments to that Act were made earlier this year to address those issues. This bill simply adopts those minor changes in the Conveyancers Licensing Act framework to maintain consistency between the two regulatory regimes.

In conclusion, I recognise and pay tribute to the important and professional role that conveyancers play in helping consumers through complex and significant transactions. Whether it is buying a home or making a sound investment, the work that conveyancers do involves some of the most expensive purchases a person can make. The steady hand of a qualified and experienced conveyancer—or might I say lawyer—can be vital to a consumer's financial and legal security and, ultimately, to their peace of mind. The Conveyancers Licensing Act establishes the necessary standards to ensure that only qualified, fit and proper persons are eligible for a conveyancer's licence, and the bill strengthens that framework. I congratulate the Minister and commend the bill to the House.

**Mr PAUL LYNCH** (Liverpool) [12.02 p.m.]: I support the Conveyancers Licensing Amendment Bill, which amends the Conveyancers Licensing Act 2003 in a number of ways. One is to make minor statute law revisions. Another is to align the licence disqualification and trust accounting provisions of the Act to ensure it is consistent with the equivalent provision in the Property, Stock and Business Agents Act. The third category of amendments makes clear that the principal Act does not apply to a conveyancing business conducted by an Australian legal practitioner, solicitor corporation, or incorporated legal service.

The principal Act, it is worth noting, resulted from a national competition policy review of the 1995 legislation. The provisions relating to lawyers are found in schedule 1 to the bill. The principal Act says that a lawyer does not have to be licensed as a conveyancer. This amendment goes further and makes lawyers disqualified persons for the purposes of the principal Act, meaning that they are not eligible to hold a licence, rather than just "not needing to". This prevents lawyers from being licensed as conveyancers, and it means that practitioners will not be working under a hybrid regime subject to both the Conveyancers Licensing Act and the Legal Profession Act.

If practitioners are possibly covered by both regimes—as they would be if a legal practitioner became licensed as a conveyancer—there could be real potential difficulties, for example if a disciplinary complaint were being pursued or there were a costs dispute and so on. There would be issues about which regime should prevail and the possibility of extra litigation to resolve it, to say nothing of the extra delay and potential cost. The bill would appear to be a much better and more desirable result for both consumers and practitioners. It achieves this by making a simple and sensible administrative separation between the Conveyancers Licensing Act and the Legal Profession Act.

This Act also replicates recent changes in the Property, Stock and Business Agents Act. Licence disqualification on the grounds of being involved in the "management of a corporation that is the subject of a winding up order or for which a controller or administrator has been appointed" is replaced with disqualification on the grounds of being involved in the management of a corporation up to 12 months prior to an external administrator being appointed to it.

It becomes a requirement that the test for the proposed licensee is to take all reasonable steps to avoid the bankruptcy or insolvency that applies from when the financial difficulties first arose. The commissioner's discretion to grant a licence to an undischarged bankrupt applies also to people involved in the management of an externally administered corporation. This is only available in specified situations. Those provisions also include that if a person is disqualified under another Act administered by the Minister, they are disqualified for the purposes of this Act. Likewise they are disqualified for this Act if they are suspended under another Act. However, the commissioner can ignore this suspension or disqualification if he thinks it appropriate to do so. This seems an appropriate reservation of discretion.

There are also some changes to trust accounting. The distinction between "trust money" and "controlled money" is removed by defining "trust money" more generally as "money received for or on behalf of any person by a licensee in connection with the licensee's conveyancing business". There will be a comprehensive scheme for trust accounting rather than two separate schemes. I commend the bill to the House.

**Ms ANGELA D'AMORE** (Drummoyne) [12.05 p.m.]: I am pleased to support the Conveyancers Licensing Amendment Bill, which makes a number of straightforward amendments to finetune the Act's administration in practice. The Government is also seeking to modernise the trust accounting processes for conveyancers, and to bring greater consistency in licensing across the property services sector. These are worthwhile, sensible and necessary amendments. The reforms undertaken in the conveyancing sector over the past 10 years have led directly to the development of a more competitive market for conveyancing services. This has brought several benefits for consumers, including a wider choice of service providers and lower prices.

Consumers can now shop around for the best deal on their conveyancing needs, and choose the service most suited to their needs. All in the knowledge that there is a robust legal framework underpinning conveyancing services. I am pleased that in her second reading speech the Minister clarified that the amendments in no way restrict the work able to be done by legal practitioners. Lawyers can compete fully with licensed conveyancers in the conveyancing market. They do so under the authority of their practising certificates; and, ultimately, the regulatory framework that governs them is the Legal Profession Act. The bill in no way restricts the conveyancing work able to be done by lawyers, and that is appropriate because many consumers still rely on solicitors for their conveyancing needs. The bill just puts beyond doubt, which Acts apply to whom.

The already high standard of licence-entry requirements on conveyancers under the Conveyancers Licensing Act ensures that only qualified, fit and proper persons can undertake conveyancing work, and this is particularly important given the relatively infrequent occasions on which most consumers undertake major property transactions. The amendments to licensing processes in this regard will align with those applying to property, business and stock and station agents. Similarly the bill's amendments, which aim to modernise trust accounting, also mirror existing provisions relating to real estate and business agents, bringing greater consistency across the property services sector. It is an effective framework, which has worked well in the property agency industry for some time. The necessary safeguards on consumers' funds remain in place. Money can only be paid out in accordance with their directions, and conveyancers are still required to issue receipts and keep detailed trust account records. There is also an annual requirement for an auditor's report to be submitted to Fair Trading.

In conclusion, I am pleased the Minister has advised the House that she has consulted with the peak body representing conveyancers, the Australian Institute of Conveyancers, on a draft of the bill and has advised that they are supportive of the bill. It adds to the Government's range of recent reforms in the conveyancing sector, including the development of rules of conduct and new procedures for resolving cost disputes in the Consumer, Trader and Tenancy Tribunal. The Government is taking a sensible course of action in introducing these amendments. I commend the bill to the House.

**Ms DIANE BEAMER** (Mulgoa—Minister for Western Sydney, Minister for Fair Trading, and Minister Assisting the Minister for Commerce) [12.08 p.m.], in reply: I thank honourable members representing the electorates of Myall Lakes, Londonderry, Maroubra, Liverpool and Drummoyne for their contributions to the bill which makes a number of minor amendments to the Conveyancers Licensing Act. The honourable member for Myall Lakes asked about the use of the word "disqualification" in relation to lawyers, I advise that this term should have no negative connotation. It is simply used to define who can and cannot hold a licence. It is the most administratively convenient way to do so.

I am aware that the Office of Fair Trading has had discussions with the Law Society about its concerns. This is a very straightforward and uncomplicated bill. It will result in a clearer framework, and put beyond

doubt the Act's application and administration, with the added benefits of reduced red tape for conveyancers and greater legislative consistency across the property services sector. The amendments are necessary and will enable the Government to bring forward the commencement of the 2003 Conveyancers Licensing Act in the near future. I comment the bill to the House.

**Motion agreed to.**

**Bill read a second time and passed through remaining stages.**

## **STATE PROPERTY AUTHORITY BILL**

### **Second Reading**

**Debate resumed from 10 May 2006.**

**Mr ADRIAN PICCOLI** (Murrumbidgee) [12.11 p.m.]: I lead for The Nationals-Liberal Coalition on the State Property Authority Bill 2006. The bill establishes the State Property Authority as a statutory corporation and sets out the functions and objectives of the authority. Whilst the bill sets out, in plain terms, the proposal for the establishment of the authority and the intention to create a more efficient environment for government ownership and use of property, the New South Wales Opposition is sceptical about the success the authority will have in achieving the anticipated savings.

The New South Wales Labor Party has been in government in this State for eleven years. It has had record tax revenues, it has had a record run of economic growth—thanks to a lot of factors, including the policies of the Federal Government—and it has had the Olympics. A lot of good things have been happening in New South Wales. The State should be in an absolutely fantastic position, with substantial budget surpluses. Yet the New South Wales Labor Government finds itself in difficult financial circumstances. It will make plenty of excuses for that. The Coalition, media commentators, and economists have been pointing out for some time that the Government's financial problems are due partly to the way the Labor Party has mismanaged the government of New South Wales and its assets, including property.

The Labor Government is saying, after 11 years in office, that it will save potentially \$300 million a year, and cure all of its problems, by putting much of government property into the hands of the State Property Authority. But this is yet another government authority—into which, I am sure, it will put a few of its Labor mates, on good salaries, spending hundreds of thousands of dollars of taxpayers' money—being created to achieve savings that ought to have been made by other government departments on their own. In my first term as a member of Parliament I served on a committee that inquired into the management of State-owned property. That inquiry exposed enormous problems in the management of State-owned property in New South Wales.

The Government rhetoric is that the State Property Authority results from a recommendation of an audit of New South Wales expenditure and assets conducted late last year and reported on in, I think, February this year. But, at the end of the day, the bill will set up yet another authority, composed mainly of highly paid public servants, to do what government departments ought to have been doing over the past 11 years, that is, properly managing State-owned property. There should have been better co-ordination between government departments and agencies.

One justification for the new authority is that some property owned or leased by an individual agency is being occupied solely by that agency and therefore is not fully utilised. The Government hopes that vesting responsibility for such property in one authority will achieve synergies across the public sector. For instance, if property is not fully utilised by one department, another agency might share the use of the property. That is indeed a noble cause; all taxpayers would like their money used as efficiently and effectively as possible. But such efficiencies and savings can occur without creating a separate authority.

Had the New South Wales Labor Party been running this State properly over the past 11 years it would have ensured that departments and agencies were run as efficiently as possible, with good communication between them to identify synergies that could be achieved where property was not being fully used. Those sorts of synergies ought to have been occurring over the past 11 years. Establishing an authority to achieve that objective will only cost taxpayers more money, with no guarantee that the anticipated savings will occur. So the Coalition's first concern with the bill is that the authority is being created to do what ought to be done by government departments and directors general, who are all highly skilled—

**Mr Andrew Fraser:** Supposed to be.

**Mr ADRIAN PICCOLI:** Or supposed to be. I am confident that in most instances they are highly skilled and have all the support mechanisms that they need. The Premier's Department supposedly has a role in providing co-ordination between government agencies. That the current Treasurer predicts that up to \$300 million in savings will be made by creating this authority raises the question: What has the Premier's Department been doing over the past 11 years? The audit of expenditure and assets revealed there ought to be \$300 million a year in savings.

What has been happening over the past 11 years? Is the Government telling us that \$3.3 billion could have been saved in the past 11 years? If so, the Government has wasted \$3.3 billion. What has it been doing in its 11 years that it has only now identified a massive saving to be generated by creating the State Property Authority? This bill exposes the failings of the Labor Government in its responsibility to govern efficiently. It is easy for the Government to be lazy when it is awash with cash—and it has been, with record stamp duty revenues, record land tax revenues, and levels of GST revenue that are higher than it had anticipated. The Government has absolutely no excuse for being in financial difficulty.

**Mr Andrew Fraser:** Stamp duties.

**Mr ADRIAN PICCOLI:** That is right. There is stamp duty not just on property transfers but also on everything else. In the last budget, the Labor Government introduced stamp duty on insurance transactions. They have had record revenues. We all know that the price of petrol has gone through the roof. When petrol was \$1 a litre the States got 10¢ a litre in GST revenue, now that it is \$1.50 they get 15¢ for every litre of petrol that is sold. The Government is still getting record revenues. It is easy to be lazy.

We have seen what happens with budgets over the years: every year there is a review that shows the Government spent \$1 billion more than was budgeted but, luckily, received \$1.1 billion more in revenue than was anticipated. Those record revenue streams are the only things that have saved this Government over the past 10 years. House prices are now coming off the boil and revenue from stamp duty has decreased. But the Government should not panic too much because land tax revenue is still going through the roof. Suddenly the Government is looking at the budget across all departments because it needs to save money. However, the Government has been wasting all the money it identified in the expenditure review.

It is really hard to be disciplined when you are awash with cash, and there is no clearer indication of this than the introduction of the State Property Authority Bill and the expenditure and audit review. It is a real shame that so much of taxpayers' money and record revenues over the past 10 years have been wasted. At one stage the Government was forced to announce that it was going to cut the rail line in Newcastle, which is a tragedy for the people of Newcastle. I know that the mayor of Newcastle was very concerned. I live a long way from Newcastle, but I hear these things. Rumours get around. The Government had to make those sorts of cuts to try to make the budget bottom line look better. But had it not wasted all that money over the past 11 years and, instead, taken the opportunity to bank a few of the billions of dollars in land tax, stamp duty and GST revenue it was receiving, we would be so much better off.

**Mr Kevin Greene:** We paid off your debt.

**Mr ADRIAN PICCOLI:** The Government could have paid off debt. The Opposition thinks that paying off debt is great, it is fantastic, particularly when the economy is good. It has previously acknowledged that the Labor Government in New South Wales has paid off debt. The Commonwealth Government has paid off \$68 billion in debt left by the Hawke and Keating governments, which is terrific.

**Mr Bryce Gaudry:** Sell off The Nationals' future.

**Mr ADRIAN PICCOLI:** I do not think anybody in the Labor Party should talk about selling off public assets. I do not know whether the honourable member for Newcastle has heard about Snowy Hydro, but he could not have missed the full-page advertisements in all the newspapers about the sale of Snowy Hydro.

**Mr Kevin Greene:** The Federal Government.

**Mr ADRIAN PICCOLI:** I do not think it was the Federal Government's idea to sell Snowy Hydro, I think it was—

**Mr Andrew Fraser:** Who is the major shareholder?

**Mr ADRIAN PICCOLI:** New South Wales is the major shareholder, with 58 per cent, I believe. I think it was announced by the Premier in December, after it was discovered by the Opposition that the Government was planning to sell Snowy Hydro. The New South Wales Government is not afraid to sell assets, but it has sold more than just Snowy Hydro. It sold FreightCorp and it has privatised plenty of assets. The champagne socialists over there champion their socialism in their electorates and the fact that they do not believe in privatisation, and they urge their constituents not to trust the Coalition "because they will privatise everything", but nothing will be left to privatise by the time the Government is finished. It is getting well and truly into privatisation. I show the honourable member for Newcastle an offer for preregistration.

**Mr Bryce Gaudry:** Point of order: I find it difficult to interrupt such a wide-ranging and—

**Mr Andrew Fraser:** Eloquent.

**Mr Bryce Gaudry:** Not so much "eloquent" speech, but a speech that is straying across a whole range of areas that certainly are beyond the leave of the bill. I need no instructions from the honourable member opposite, nor his use of props. I would ask you to ask him to draw himself back, however reluctant, to the leave of the bill.

**Mr DEPUTY-SPEAKER:** Order! I uphold the point of order. The honourable member for Murrumbidgee is well aware of rulings relating to the use of props in the Chamber. I am sure he will now return to the leave of the bill.

**Mr ADRIAN PICCOLI:** I was, in fact, responding to interjections. This goes to the leave of the bill because the State Property Authority is being set up on a recommendation from the expenditure and asset review earlier this year, to save taxpayers' money. But what has the Government been doing for the past 11 years that it has suddenly come up with this great idea? Why has it been wasting all this money over those years? Sure, it has paid off debt, which is terrific. But in 2006 we should have a couple of billion dollars in the bank.

When the economy turns bad—I hope it never does, but one day it will—we will need to inject additional money into the New South Wales economy by building a few more roads and creating a few more government-funded jobs to stimulate economic demand. When we have a downturn in the economy, hopefully not a recession, there should be money available to stimulate the economy and smooth out the economic bumps. But New South Wales is in a dire financial situation at a time when the Australian economy has never been stronger. Unemployment rates in New South Wales have gone up, but when unemployment rates across the country start to rise, and economic activity and consumer confidence start to go down, the New South Wales Government ought to be in a position to do its share to stimulate the economy.

The Commonwealth Government is ready to pounce if there is a downturn in the economy, and the New South Wales Government should be in a similar situation. However, because of the laziness of this Government and its lacklustre performance over the past 11 years it will find it very difficult to budget appropriately and deal with a downturn in the New South Wales economy. The other reason the Coalition will not support the bill is that it thinks the bill gives far too much power to the Treasurer, who would get his hands on far too much property in New South Wales. The Opposition can foresee that the Government would take the opportunity to sell a lot of railway land and excess property as soon as possible. The Opposition has no real problem with selling excess property, but not at fire sale rates and not hidden behind an authority such as the State Property Authority.

If StateRail wants to sell property, it ought to do so, but it should be done transparently. It should be made clear that StateRail is selling property and it should not be transferred to some quasi government authority so that it can slip under the radar. Although setting up the State Property Authority was recommended in the audit review, the Opposition believes that the Treasurer sees it as an opportunity to raise additional cash by selling off government property. As I said, the Government does it already. If land is surplus, the Opposition agrees. Why not sell it? But the Coalition does not trust the New South Wales Labor Party. It has never trusted the New South Wales Labor Party in government.

The people of New South Wales certainly do not trust the Government any more. That can be borne out by reference to letters to the editor. If the Government does not believe the Opposition because it thinks it is being partisan, the Government should take note of letters to the editor, polling and media reports. The

Government only has to listen to what people are saying to know that the people of New South Wales do not trust the New South Wales Labor Party any more. They once may have trusted the Government to run New South Wales, but not any more. In particular, the people of New South Wales do not trust someone like the Treasurer, Minister for Infrastructure, and Minister for the Hunter, the Hon. Michael Costa, getting his hands on hundreds and millions of dollars worth of Government-owned, taxpayer-provided property, and being able to slip the property into an authority, such as the one proposed in the bill, to see whether his manoeuvre goes through to the keeper, without anyone noticing.

**Mr Andrew Fraser:** With Labor mates running it.

**Mr ADRIAN PICCOLI:** The honourable member for Coffs Harbour reminds me of the comments that have been published in newspapers in recent days about a member of the upper House. Yesterday when I heard people saying that Eddie Obeid got another eight years, I thought they meant in Long Bay, but they were talking about the upper House. That was when I stopped laughing. The Opposition is very concerned about what the Labor Government will do with the State Property Authority. The Opposition thinks that dealings in relation to property ought to be open and transparent. There are no guarantees accompanying this legislation. The Opposition will oppose the bill.

**Mr ANDREW FRASER** (Coffs Harbour) [12.30 p.m.]: The objectives and functions of the State Property Authority, which will be set up under clause 10 of this legislation state in part:

- (d) to operate at least as efficiently as any comparable business, consistently with the principles of ecologically sustainable development and social responsibility ...

It is laughable that this Government has introduced legislation to this House with such a clause while it is flogging off Snowy Hydro Limited. This bill represents an attempt by the Treasurer of this State to raid the last remaining hollow log in New South Wales. This legislation is a thinly disguised mechanism for handing over to the Treasurer an authority that will report to him on his ability to flog off the crown jewels of New South Wales. If this bill is passed, every piece of foreshore land along Sydney, Newcastle, Wollongong, the North Coast and the South Coast will be subject to the New South Wales Treasurer being able to say, "I have a report from the authority"—in other words, from Labor mates appointed by him—"that this land, this property, this facility, is surplus to requirements." The land, property or facility will be flogged off and the proceeds will be taken and applied by this Government to retaining and maintaining its hold on marginal seats in Western Sydney.

As the honourable member for Murrumbidgee has already said, this bill is all about a Government that has received the greatest revenue of all New South Wales governments in its 11 years in office, yet it has nothing to show for it. Trains in Sydney now run on time, but only because the Government has cut half the services. One only has to watch the 6.00 a.m. traffic report on Channel Seven to see the bottleneck caused by everybody trying to get into the city to know that everyone is reverting to private vehicle use. Bus lanes that have been opened up everywhere are ineffective because they have funnelled traffic into two lanes and are creating traffic chokes. All these problems are occurring because this Government has refused to spend its windfall on upgrading and maintaining infrastructure in New South Wales.

We are now nine months away from an election. Daily we hear from this Government about the great work that it is doing. Yesterday the Minister for Transport babbled on in this House about the great job he is doing. I suggest that the Minister get into his own car, instead of being in a car with a driver, or jump on a bus or a train on any day of the week and listen to what the people of Sydney are saying about the management of the transport system and the lost opportunities that this Government has had to spend some of its surplus to ensure that the Sydney transport system is one of which the Government can be proud and that the people can use. Another example is the Pacific Highway and the failure of this Government to provide funding while deferring project after project.

**Mr Kevin Greene:** It is a national highway.

**Mr ANDREW FRASER:** No. It is not a national highway. It is a State road. The interjection by the honourable member for Georges River illustrates the problem. There is a mentality in the New South Wales Government of Sydney Labor members assuming that anything concerning areas outside Sydney, Newcastle and Wollongong is the responsibility of the Federal Government. Every time there is a crisis in health, education, roads or water, Labor members say, "It is not our problem. The Federal Government has a \$17 billion surplus"—through its good management—"so the Federal Government should fix it."

The Coalition hears ad nauseam this Government saying, "What about our \$3 billion in lost revenue from the GST?" The matter was referred to in the House again this morning. The problem can be resolved by

Labor Premiers approaching the Federal Treasurer and asking for the revenue disbursement formula to be changed. Will they do that? No, they will not because it is convenient for them to say that New South Wales is losing billions of dollars in revenue whereas the management of this State's assets and cash reserves by this State Labor Government has been absolutely abysmal. This legislation refers to functions and states in clause 11:

- (1) The principal functions of the Authority are as follows:
  - (a) to hold, manage, maintain, acquire or dispose of property for the government and government agencies ...

This provision is designed to enable someone to look into government-owned prime real estate. There are plenty of pieces of prime real estate in rural New South Wales that are the sites of government office blocks and government agencies. If this bill is passed, what will stop the Government from leasing those buildings and moving the agencies to sites further out of town, or flogging off the prime sites and putting the proceeds of the sale into the State's coffers? The Snowy Hydro Limited proposal is a classic example. I say to this Government, "For God's sake, go out and listen to the people and hear what they are saying about the Snowy Hydro Limited sale."

Will this bill give the Treasurer the authority to sell State forests? In my role as the shadow Minister for Forestry, I wonder whether what is left of forests in New South Wales will be able to be flogged off to the highest bidder. Will the passing of this bill enable the Treasurer, through the proposed State Property Authority, to reclassify a national park on a headland on the North Coast or the South Coast to prime real estate, flog it off as surplus land and direct the proceeds of sale to the State's coffers? Clause 11 also states:

- (b) to carry out, manage, co-ordinate or participate in the development of ... property ...

We have all seen what happened in relation to Smartpoles in Sydney. We have seen Eddie Obeid's sons participating in the development of Smartpoles in Sydney and the cash that that involved. I would love to see how much of that cash and the kickbacks found their way into Labor Party coffers to assist in running the forthcoming election campaign. If this bill will empower the authority to participate in the development of property, we can imagine what will happen to railway land. The bill refers to car parks in clause 10, which states:

- (a) to improve operational efficiencies in the use of properties of government agencies, particularly generic properties (such as offices, warehouses, depots and car parks) ...

All honourable members know about car parks adjacent to railway stations throughout Sydney and that the mates of the Labor Government have been trying to develop them for years. This bill provides nothing more than an opportunity for an authority appointed by this Government to do deals behind closed doors. This is another example of the faceless men of the Labor Party. Here we go again! Based on Labor's State record over the past 11 years, the people of New South Wales do not trust this Government. The Coalition does not trust this Government, either, to manage taxpayer-provided property. This bill will provide the Government with a means of flogging off the last remaining crown jewels belonging to New South Wales, or at least will create an opportunity for this State's assets to be flogged off without reference to the people, à la the Snowy Hydro Limited sale.

Members of the Labor Party should eat, drink and be merry with the honourable member for Monaro, Steve Whan, because he will not be a member of this House after the next election. He has shown exactly where he stands on the Snowy Hydro Limited issue by voting twice with the Government to ensure that Snowy Hydro Limited is sold. He has ignored the plight of the farmers and he has ignored the income that Snowy Hydro Limited produces—in excess of \$200 million a year, which is revenue that is paid to this Government. He also has ignored the fact that electricity generation and water resources are being handed over to a private entity. He has ignored his constituents and has voted with the Labor Government, which is desperate to pick up \$1 billion plus prior to the next election. Honourable members should mark my words: if this legislation is passed, other prized properties in New South Wales will be flogged off under the authority created by this bill.

I ask the Government to conduct an audit of those properties; after all, there is a heap of Ministers sitting on the front bench of this House and the other place who could help. Departmental heads could report to the Treasurer as to how Crown properties are utilised in this State. I would like the Minister for Community Services to explain to me why a property in Coffs Harbour, under lease to the Department of Community Services, has been vacant for six or eight months. It has been fitted out at a cost of between \$100,000 and

\$200,000 as a storage area. I advise the Minister that nothing is stored in that property. If the Premier were serious, he would direct the directors-general to report to their Ministers, and the Ministers to report to Cabinet and the Treasurer, on the efficiency and effectiveness of the management of government properties.

The Government should be doing now what it is claiming it will do through this bill. I suggest the Treasurer should say to departmental heads that if they want money in their portfolios they should tell him what properties they have to offer and he will determine whether they should develop them or perhaps engage in a joint venture deal with a Labor mate in a corporation. Money will then be provided to run the departments. But the Government will have sold off the asset. Under this arrangement, assets that have been kept in perpetuity for the people of New South Wales will be flogged off.

Another objective of the authority is to provide advice to the Treasurer in relation to properties of government agencies and, in particular, as to whether those properties are being efficiently utilised. If that is not done now, that is an indication that the Ministers and their departmental heads are culpable. They should be doing now what the people of New South Wales expect them to do under the patent they were given by the Governor to act responsibly in a ministry. If Ministers are not asking their directors-general and others to do that, they are not acting responsibly under the charter they were given by the Governor when they were sworn in. The authority is to provide advice to the Treasurer on the transfer of properties to the authority and on budgetary measures relating to the properties of government agencies.

We know what the budgetary measures will be: "How much cash can we pop in our back pocket, and how much cash can we get for those magnificent assets that are held in perpetuity and trust for the people of New South Wales?" A further general function of the authority is to arrange, where appropriate, for the sharing of facilities and premises by government agencies to reduce operational expenses. I can imagine the comical nature of that: "We will go and have a yarn to the Department of Agriculture and let them know that the local high school operates only between the hours of 9.00 a.m. and 3.30 p.m. so they can use the classroom prior to 9.00 a.m. and after 3.30 p.m. and flog off the department's building". The Government could flog off any departmental building.

**Mr Kevin Greene:** What?

**Mr ANDREW FRASER:** The honourable member for Georges River says, "What?" I agree with him. That is an indication of the ludicrous side of this bill and its plain stupidity. It is a thinly disguised attempt to flog off the people's assets. No Labor members have jumped up to defend the bill. I would be interested to know what was said in caucus when the Treasurer, or whoever it was, presented the bill to caucus.

**Mr Kevin Greene:** You won't be in caucus, that's for sure.

**Mr ANDREW FRASER:** I do not want to be in your caucus, mate, because we know what it is like. You sit around like a mob that see no evil, hear no evil, and say no evil. You have to take what is thrust at you by Ministers, in this case the Treasurer, and you shut up and wear it. We have all seen that happen to the honourable member for Monaro with the sale of Snowy Hydro Limited. I suggest that Labor Party members should be screaming about this bill. They are always on about the Federal Government assisting them. They should be screaming about what they want from the Treasurer and Ministers: a more acceptable and accountable expenditure of money within the departments.

If assets can be better utilised they should report back to the Minister. But they should not give carte blanche to an authority that will be governed only by the Treasurer, not by Parliament, to flog off those assets. The caucus is running scared about what will happen on 27 March 2007; it is prepared to accept land and assets in New South Wales being handed over to an authority that will flog off the family jewels. The bill is unacceptable to me and to my constituents. I guess it is unacceptable to people across the State. I am embarrassed to admit that I sit in a House where the Labor members will not get up and place their true concerns on the record or at least defend against what the Opposition is saying in this debate.

**Mr DARYL MAGUIRE** (Wagga Wagga) [12.44 p.m.]: There is an old saying, "History repeats itself." If one looks at the share market, it can be seen that its history is repeated over time. In this place history repeats itself, only the players and the names are different. I note that in 1997 a similar bill was introduced in this place to corporatise the Snowy Mountains scheme. That was done in a fashion similar to what is proposed in this bill today, by establishing a corporate entity. The State Property Authority Bill is a similar bill. The honourable member for Coffs Harbour very ably pointed to many deficiencies in the bill. The outline of provisions states:

**Part 2 Constitution and management of Authority**

**Clause 4** provides for the constitution of the State Property Authority as a corporation.

That clause gives the Minister the major shareholding, as is the case with Snowy Hydro Limited. Clause 5 states that the authority is a statutory body representing the Crown. And that is true, it does represent the Crown, and ultimately the Government. Clause 6 provides that the authority is subject to the direction and control of the Minister. Hello! That means that the bill, in its current form, will give the Minister, and the Government, complete control of one entity and give the chief executive officer of the authority the responsibility for the management of the affairs of the authority.

Clause 8 of the bill enables the authority to delegate its functions to certain persons. Interestingly, clause 9 enables the authority to exercise its functions through subsidiaries, or in a partnership, joint venture or other association with other persons or bodies. Through this bill the Government is taking the taxpayers through dangerous territory. It is dangerous for a lot of reasons. In question time we heard the suggestion that relationships are formed, and some of them may not be above board. Importantly, the bill gives the Government enormous opportunities to create relationships in joint ventures with people whose identity will not be disclosed to anyone because it is all done under the guise of the corporation. I would like to know who is to be chairman of the board. Is this another case of jobs for the boys? Will another Labor mate be appointed on a fat salary? Is the direction to be at the beck and call of the Minister to whom ultimately the appointee will be responsible?

Clause 13 of the bill enables the authority, with the consent of the Minister, to sell, lease, exchange or otherwise dispose of or deal with land. The court also requires the authority to maintain a register of land that is invested in or managed by it. Clause 16 enables the authority, with the Minister's approval, to form and acquire interest in private corporations or to dispose of such interests. Clause 22 enables the Governor to make regulations for the purposes of the proposed Act. The bill is really an attempt, other than through the processes currently in place, to centralise control of property, ultimately give the Minister the major shareholding in this new corporation, and give the Government the ability to privatise all public assets.

Properties are currently under the control of departments. When the Government suggests that it wishes to dispose of properties because it is particularly desperate for cash, bureaucrats fight the suggestion because they know what the Government is up to. If they dispose of an asset just to fill the Government's coffers it inhibits their ability to provide for future development or expansion—whether it be to build a new building or to develop a site in conjunction with another organisation. There are many examples of government property that has fallen into a state of disrepair. I understand that the reason for the inquiry was to deal with that issue.

Ultimately, the reporting process and mechanisms to which the honourable member for Coffs Harbour referred earlier should be implemented to enable departments to deal with these issues. Under this Government departments have been rearranged, reorganised, amalgamated and split. Some departments have had up to four or five Ministers in the 11 years that this Labor Government has been in office. Because of this Government's mismanagement, many of those departments are dysfunctional. This Government has inhibited the ability of departments to deal with simple issues, for example, the disposal of surplus property retaining property on their registers for future development. This Government has inhibited the ability of departments to deliver services to the taxpayers of New South Wales.

Earlier the honourable member for Coffs Harbour and the honourable member for Murrumbidgee referred to the proposed fire sale of Snowy Hydro Limited. Legislation which was introduced in this Chamber and supported by members in another place resulted in the corporatisation of Snowy Hydro. In voter land—the place that matters to all honourable members—I have not met one person who is in favour of selling Snowy Hydro. At a function I recently attended I asked the guests seated at two tables what they thought about it. To a man they all agreed that Snowy Hydro should not be sold. This Labor Government is perpetrating another hoax by suggesting it is implementing a report in which all these recommendations were made.

In time to come other members of Parliament will decry the fact that this legislation was introduced. Voters in New South Wales know that the Government has a majority in this House. However, I believe that will change after 24 March 2007. The Government should not ram legislation through this Chamber. The Opposition intends to oppose this legislation but who knows what will happen in the other place? If it is passed, when Mr Deputy-Speaker is nursing his grandchildren on the verandah and enjoying his retirement years he might read articles in the media that public property is to be sold and that the cash is to go to the Government. I predict that when Mr Deputy-Speaker is enjoying his retirement a new government will be in office because of the arrogant way in which this Government is addressing these issues.

Debate about the privatisation of Snowy Hydro is raging in New South Wales and across Australia. The proposed sale of Snowy Hydro is being done without consultation and by the stroke of a Minister's pen. It will cause other interested parties to take action with which they might not have agreed. This bill is fraught with danger. It gives absolute control to the Minister who will manage it by regulation, which means it will not be scrutinised by this Parliament. The Minister will sign off on a deal without giving members of Parliament an opportunity to express their views or to state whether or not they support it. The devil is always in the detail. This Government is great at spin and at delivering rhetoric but it is short on substance. This is a sad day for the taxpayers of New South Wales. In time to come they will realise that if this Government continues in office it will flog off assets that rightly belong to the public. It will enter into leaseback arrangements and partnerships with which we may or may not agree. I do not think that is in the best interests of the people of this State.

**Mr BRYCE GAUDRY** (Newcastle—Parliamentary Secretary) [12.55 p.m.], in reply: I thank Opposition members for their wide-ranging contributions to debate on this bill. We saw the Bud Abbott and Lou Costello act of the honourable member for Murrumbidgee and the honourable member for Coffs Harbour, during which the honourable member for Coffs Harbour took every opportunity to denigrate people rather than speak directly to the provisions of the bill. The input of the honourable member for Wagga Wagga was far more studied, but he also missed the point. This legislation is an important initiative toward realising the savings identified in the Premier's February financial statement.

By 2009-10 the new authority is expected to have saved in excess of \$300 million a year, including \$80 million a year in recurrent savings. The honourable member for Murrumbidgee asked why the Government had not taken such a measure in the past. It has. This measure builds on past successes. The Crown property portfolio already centrally manages large office block accommodation, which has generated significant savings. The new authority will build on that success. The savings opportunities being targeted are long-term in character. There is better structuring of maintenance activities, more sharing of property assets across agencies, more efficient access to new properties enabling the authority to swap assets between agencies, and better management of leased properties. Compare that with the issues referred to by Opposition members who attacked bureaucrats and Ministers.

There is constant change in the delivery of government services and constant improvements by the State Government when purchasing land and building infrastructure. As that change occurs an asset review will be conducted. As a result of the benefits derived from these changes the Government is confident that front-line delivery of services to the public will be better supported. I reiterate that careful, explicit protections are embedded in the bill to ensure that the State's precious assets are safe for future generations. To claim otherwise, in my opinion, is scaremongering. There will be no wholesale transfers of categories of land. Property must be specifically identified and transferred to the authority on a case-by-case basis. Crown land, and specifically Crown reserves, will remain under the stewardship of the Minister for Lands.

When such lands appropriately sit with the authority, for example, when they are used as car parks or depots, a transfer can occur only with the concurrence of the Minister for Lands. Similarly, this bill is designed to ensure that Aboriginal land claims will be unaffected by vesting property to the authority. The Aboriginal Land Rights Act and the Native Title (New South Wales) Act are being amended specifically to give effect to this. The honourable member for Coffs Harbour asked whether this gave the Treasurer the authority to sell State forests or foreshore lands. No, it will not. The purpose of the authority will be to gain efficiencies by better use of generic assets such as office blocks, depots or car parks. If the Treasurer wanted to sell assets he would not need to set up a new authority to do so.

The Government not only sells land; it is spending \$1 billion a year on acquiring land. The Government is both acquiring land and disposing of assets that are no longer of use to particular agencies. Under the legislation the existing protections on land such as national parks, foreshore land and Crown reserves remain in place. That obviously does not fit the description of an exercise in assets sales. Rather, it is a structural reform targeted at improving assets management across the government sector, the impact of which will be experienced throughout the next decade. Accordingly, I commend the bill to the House.

**Question—That this bill be now read a second time—put.**

**The House divided.**

**Ayes, 48**

Ms Allan	Mr Greene	Mr Price
Mr Amery	Ms Hay	Ms Saliba
Ms Andrews	Mr Hickey	Mr Sartor
Ms Beamer	Mr Hunter	Mr Scully
Mr Black	Ms Judge	Mr Shearan
Mr Brown	Mr Lynch	Mr Stewart
Miss Burton	Mr McBride	Ms Tebbutt
Mr Campbell	Mr McLeay	Mr Tripodi
Mr Chaytor	Ms Meagher	Mr Watkins
Mr Collier	Ms Megarrity	Mr West
Mr Corrigan	Mr Mills	Mr Whan
Mr Crittenden	Mr Morris	Mr Yeadon
Mr Daley	Mr Newell	
Ms D'Amore	Mr Orkopoulos	
Mr Debus	Mrs Paluzzano	<i>Tellers,</i>
Ms Gadiel	Mr Pearce	Mr Ashton
Mr Gaudry	Mrs Perry	Mr Martin

**Noes, 33**

Mr Aplin	Mr Humpherson	Mrs Skinner
Mr Armstrong	Mr Kerr	Mr Slack-Smith
Mr Barr	Mr McTaggart	Mr Souris
Ms Berejikian	Ms Moore	Mr Tink
Mr Cansdell	Mr Oakeshott	Mr Torbay
Mr Constance	Mr O'Farrell	Mr J. H. Turner
Mr Draper	Mr Page	Mr R. W. Turner
Mrs Fardell	Mr Piccoli	
Mr Fraser	Mr Pringle	
Mrs Hancock	Mr Richardson	<i>Tellers,</i>
Ms Hodgkinson	Mr Roberts	Mr George
Mrs Hopwood	Ms Seaton	Mr Maguire

**Pair**

Ms Burney

Mr Hartcher

**Question resolved in the affirmative.****Motion agreed to.****Bill read a second time and passed through remaining stages.****BUSINESS OF THE HOUSE****Bill: Suspension of Standing and Sessional Orders****Motion by Mr Bryce Gaudry agreed to:**

That standing and sessional orders be suspended to permit the introduction forthwith, without notice, of the Superannuation Legislation Amendment Bill, up to and including the Minister's second reading speech.

**SUPERANNUATION LEGISLATION AMENDMENT BILL****Bill introduced and read a first time.****Second Reading**

**Mr BRYCE GAUDRY** (Newcastle—Parliamentary Secretary) [1.09 p.m.], on behalf of Mr John Watkins: I move:

That this bill be now read a second time.

The Superannuation Legislation Amendment Bill 2006 introduces miscellaneous amendments to various Acts governing superannuation schemes for New South Wales public sector employees and parliamentarians. None of the proposed changes will increase the Government's costs associated with the public sector or parliamentary superannuation arrangements. The bill contains several amendments to the Police Regulation (Superannuation) Act 1906. This Act governs the Police Superannuation Scheme, which was closed to new members from 1 April 1988. The scheme covers approximately 3,700 serving officers and 5,300 former officers now receiving pensions from the scheme. The Police Superannuation Scheme also provides workers compensation style benefits for officers who are killed or injured as a result of their occupation. Officers covered by the Police Superannuation Scheme are not eligible for coverage by New South Wales workers compensation arrangements.

The proposed amendments mainly affect invalidity benefits payable from the Police Superannuation Scheme to officers who cease employment because of injury or ill-health. The SAS Trustee Corporation, which is the trustee for the Police Superannuation Scheme, is responsible for determining whether an officer is eligible for an invalidity benefit on the basis of whether he or she is incapable of performing his or her duties of office. A decision of the Full Bench of the Industrial Relations Commission in *Derrick Boland v SAS Trustee Corporation*, 2 November 1999, cast doubt on the validity of the interpretation of "duties of office" that has been applied for this determination over the past 20 years or more. The judgment concluded in respect of the Act governing the Police Superannuation Scheme:

The legislation should plainly be revisited by the Legislature in order to ensure that a logical, consistent and readily understood regime applies to the important work which police officers perform in the State, particularly that aspect which regulates their circumstances in the event that they are injured in the performance of their duties.

The bill clarifies the definition of "duties of office" to ensure that it includes the general duties imposed on all police officers by reference to section 14 (1) of the Police Act 1990, which states:

In addition to any other functions, a police officer has the functions conferred or imposed on a constable by or under any law (including the common law) of the State.

The amendment makes clear that the interpretation of "duties of office" that has applied in practice for many years can continue. The bill also validates any past decisions made by the SAS Trustee Corporation. The bill also clarifies the circumstances in which a former police officer may claim a hurt-on-duty invalidity pension subsequent to retirement or resignation. New provisions will ensure that former police officers can only make valid claims for hurt-on-duty benefits, or increases to such benefits, if they are less than 60 years of age, or 5 years after retirement, whichever is later. Currently, there is no age or time limit. The proposed limits are supported by NSW Police and the Police Association.

The amendments in the bill require police officers to participate in an injury management program offered by NSW Police similar to that under workers compensation arrangements. Currently there is no legislated obligation on the part of an officer to participate in any such program. The bill makes benefit payments conditional on certification from the police commissioner that an officer has participated in such a program. Again, this amendment is supported by NSW Police and the Police Association. In addition, the commutation provisions applying to the Police Superannuation Scheme are amended to allow members to choose to commute part of a pension entitlement to a lump sum. Currently, they can only commute all or none of their pension. The bill also reduces the age at which an invalidity pension may be commuted from age 60 to 55. These changes are consistent with commutation arrangements in the State Superannuation Scheme, which is the other scheme that pays pensions to public sector employees.

I turn now to amendments to the State Authorities Superannuation Act 1987, which governs the State Authorities Superannuation Scheme [SASS]. This scheme covers approximately 60,000 public sector employees who had joined prior to its closure to new members in December 1992. SASS generally provides members with an employer-funded lump sum benefit, plus an accumulation of members' own compulsory contributions, which may be between 1 per cent and 9 per cent of their superable salary each year. These member contributions must currently be paid out of post-tax salary. The bill proposes to allow SASS members to pay all or part of these compulsory contributions from their pre-tax salary. Salary sacrificing in this way may result in tax advantages for some members, depending on their individual financial circumstances. The earliest possible implementation date is April 2007. This will allow the scheme's trustee sufficient time to undertake communications with employers and members about the changes, and make operational changes.

The bill contains amendments that provide additional flexibility in the definition of salary for superannuation purposes for members of SASS and the State Superannuation Scheme. The amendments allow

regulations to be made to address agency specific requirements where a new remuneration basis is being proposed for employees, such as an annualised salary. For example, an agency might propose, with support from employees, that there are operational efficiencies and employee advantages to have an annualised salary replace the payment of a base wage, plus overtime and penalty rates. The legislation currently does not allow overtime and some penalty payments to be recognised for superannuation purposes, but an annualised salary may satisfy the current definitions in the legislation.

However, the recognition of the full annualised salary for superannuation purposes could generate such significant increases in the cost of superannuation benefits that no responsible Government could afford to give unqualified support to a proposed adoption of annualised salary. The amendments will allow for regulations to prescribe a "notional" salary for superannuation purposes, thereby encouraging flexibility in negotiating workplace reforms. The amendments make clear that regulations can only be made with the agreement of the Minister and Treasurer, when the making of a regulation and associated arrangements will not result in a cost to the Government that is greater than if the regulation was not made. The amendments also make clear that the making of such regulations cannot reduce a member's superannuation salary below that which would have been recognised had the annualised salary not been introduced and regulations made.

The final amendments contained in the bill are to public sector employees' and parliamentarians' superannuation schemes that pay pensions. Honourable members would be aware that before amendments to the Parliamentary Contributory Superannuation Act 1971 can be passed in the Legislative Assembly, the Parliamentary Remuneration Tribunal must certify that the amendments are warranted. I am pleased to advise that, following his assessment, such certification has been provided by the Parliamentary Remuneration Tribunal, His Honour Judge Boland. The purpose of the amendments is to supplement existing administrative arrangements. These enable members to ensure that an election to commute a pension entitlement to a lump sum takes effect before a pension entitlement commences to be paid.

In those circumstances, the Australian Tax Office will take the lump sum benefit as having been paid before the pension and, therefore, assess the tax payable against the higher pension reasonable benefit limit [RBL] instead of the lump sum RBL. It has become apparent that there may be circumstances where these administrative arrangements are not sufficient to enable members to lodge their commutation elections in time. The amendments address this by allowing members to nominate a later start date for their pension payments. No pension is then payable in respect of any period prior to the member's nominated commencement date. It will be up to individual members to decide, on the basis of independent financial advice, whether it is in their interest to forfeit pensions for, say, a few weeks or months. Although 2006 Federal budget proposals include the abolition of RBLs from 1 July 2007, the above amendments may be useful until that date. By leave I table a certificate of the Parliamentary Remuneration Tribunal as required under section 14A (3) of the Parliamentary Remuneration Act 1989. I commend the bill to the House.

**Debate adjourned on motion by Mr Daryl Maguire.**

## **TOTALIZATOR LEGISLATION AMENDMENT (INTER-JURISDICTIONAL PROCESSING OF BETS) BILL**

**Message received from the Legislative Council returning the bill without amendment.**

### **RESTORATION OF BUSINESS OF THE PREVIOUS SESSION**

#### **Firearms Amendment (Good Behaviour Bonds) Bill**

**Mr ACTING-SPEAKER (Mr John Mills):** I report the receipt of the following message from the Legislative Council:

Mr SPEAKER

The Legislative Council requests that the Bill titled "An Act to amend the *Firearms Act 1996* to limit the disqualification of persons subject to good behaviour bonds from holding firearms licences or permits or from dealing in firearms" forwarded to the Legislative Assembly during the previous Session of the Parliament and which was not finally dealt with because of the prorogation of the Legislative Assembly, be proceeded with under the Assembly's standing orders.

Legislative Council  
24 May 2006

MEREDITH BURGMANN  
President

**RESTORATION OF BUSINESS OF THE PREVIOUS SESSION****Legislation Review Amendment (Family Impact) Bill**

**Mr ACTING-SPEAKER (Mr John Mills):** I report the receipt of the following message from the Legislative Council:

Mr SPEAKER

The Legislative Council requests that the Bill titled "An Act to amend the *Legislation Review Act 1987* to extend the role of the Legislation Review Committee to the scrutiny of the impact of Bills and regulations on families" forwarded to the Legislative Assembly during the previous Session of the Parliament and which was not finally dealt with because of the prorogation of the Legislative Assembly, be proceeded with under the Assembly's standing orders.

Legislative Council  
24 May 2006

MEREDITH BURGMANN  
President

*[Mr Acting-Speaker (Mr John Mills) left the chair at 1.20 p.m. The House resumed at 2.15 p.m.]*

**PETITIONS****Pensioner Travel Voucher Booking Fee**

Petition requesting the removal of the \$10 booking fee on pensioner travel vouchers, received from **Mrs Shelley Hancock**.

**South Coast Rail Services**

Petition opposing any reduction in rail services on the South Coast, received from **Mrs Shelley Hancock**.

**Hornsby and Berowra Train Station Parking Facilities**

Petition requesting adequate commuter parking facilities at Hornsby and Berowra train stations, received from **Mrs Judy Hopwood**.

**Murwillumbah to Casino Rail Service**

Petition requesting the retention of the CountryLink rail service from Murwillumbah to Casino, received from **Mr Neville Newell**.

**Uniting Church Congregation Rights**

Petitions supporting amendments to the Uniting Church in Australia Act (1977) NSW to ensure that the moral and legal rights of a congregation, disaffiliated from the Uniting Church, are protected, received from **Mr Geoff Corrigan** and **Mrs Shelley Hancock**.

**Shoalhaven River Water Extraction**

Petition opposing the extraction of water from the Shoalhaven River to support Sydney's water supply, received from **Mrs Shelley Hancock**.

**Jervis Bay Marine Park Fishing Competitions**

Petition requesting amendment of the zoning policy to preclude fishing competitions, by both spear and line, in the Jervis Bay Marine Park, received from **Mrs Shelley Hancock**.

**Colo High School Airconditioning**

Petition requesting the installation of airconditioning in all classrooms and the library of Colo High School, received from **Mr Steven Pringle**.

**Campbell Hospital, Coraki**

Petition opposing the closure of inpatient beds and the reduction in emergency department hours of Campbell Hospital, Coraki, received from **Mr Steve Cansdell**.

**Breast Screening Funding**

Petitions requesting funding for breast screening to allow access for women aged 40 to 79 years, received from **Mr Steve Cansdell** and **Mrs Shelley Hancock**.

**Shoalhaven Mental Health Services**

Petition requesting funding for the establishment of a dedicated mental health service in the Shoalhaven, received from **Mrs Shelley Hancock**.

**Sutherland Hospital Management**

Petition requesting the retention of a full-time general manager and the re-establishment of a local community based hospital board of management, received from **Mr Malcolm Kerr**.

**Singleton Hospital Land Sale**

Petition opposing the proposed sale of Singleton Hospital land, received from **Mr George Souris**.

**Kurnell Sandmining**

Petition opposing sandmining on the Kurnell Peninsula, received from **Mr Barry Collier**.

**Manyana Residential Land Rezoning**

Petition opposing the proposal by Kylor to rezone residential land in Manyana, received from **Mrs Shelley Hancock**.

**Community-based Preschools**

Petitions requesting increased funding to community-based preschools to enable them to maintain parity with preschools administered by the Department of Education and Training, received from **Mr Greg Aplin**, **Mr Geoff Corrigan** and **Mrs Shelley Hancock**.

**Recreational Fishing**

Petition opposing any restrictions on recreational fishing in the mid North Coast waters, received from **Mr John Turner**.

**Robertson Rural Fire Brigade**

Petition requesting funding to upgrade the Robertson Rural Fire Brigade facilities, received from **Mr Matt Brown**.

**Shoalhaven City Council Rate Structure**

Petition opposing a 27 per cent rate increase proposed by Shoalhaven City Council, received from **Mrs Shelley Hancock**.

**CSR Quarry, Hornsby**

Petition requesting a public inquiry into Hornsby Shire Council's acquisition of CSR Quarry in Hornsby, received from **Mrs Judy Hopwood**.

**Grafton Bridge**

Petition requesting the construction of a new bridge over the Clarence River at Grafton, received from **Mr Steve Cansdell**.

### **F6 Corridor Community Use**

Petition noting the decision of the Minister for Roads, gazetted in February 2003, to abandon the construction of any freeway or motorway in the F6 corridor, and requesting preservation of the corridor for open space, community use and public transport, received from **Mr Barry Collier**.

### **Old Northern and New Line Roads Strategic Route Development Study**

Petition requesting funding for implementation of the Old Northern and New Line roads strategic route development study, received from **Mr Steven Pringle**.

## **BUSINESS OF THE HOUSE**

### **Reordering of General Business**

**Mr ANDREW CONSTANCE** (Bega) [2.27 p.m.]: I move:

That General Business Notice of Motion [General Notice] No. 34 [Batemans Marine Park] have precedence on Thursday 25 May 2006.

For the benefit of honourable members, my motion condemns the Government for undertaking no community consultation, no socioeconomic studies and no scientific research in the development of the Batemans Marine Park and the Port Stephens Great Lakes Marine Park. I am also keen to debate the secret plans for marine parks in the Hawkesbury and Twofold bioshelf. I know that the Leader of the House wants to bring on this debate to enable honourable members to debate the Government's secret plans for marine parks in the Hawkesbury bioshelf. Labor members in Kiama and on the Central Coast will want to have a say tomorrow when we debate marine parks. The honourable member for Myall Lakes and I know all about the impact of the marine park process on local communities. Thousands of people across the State are signing petitions, and thousands of people are meeting in coastal New South Wales to protest the process by which the Government has declared marine parks in this State.

The reality is that thousands upon thousands of recreational anglers and thousands of commercial fishermen have been left in the dark by a process brought about by the Minister for the Environment and the Minister for Primary Industries, which has resulted in 20 per cent of the State's coastline being shut down to all recreational and commercial fishing activities. The impact of this is enormous. The Government has not even bothered to undertake the necessary socioeconomic studies to work out the true impact on families who are living in coastal areas of New South Wales. One only needs to examine the Batemans Marine Park to know that the impact of a 20 per cent closure in the region will decimate the commercial fishing and recreational fishing industries.

I hope that the Leader of the House will agree to have this debate take place tomorrow. It is not unreasonable that members of the Government who live in the Hawkesbury bioshelf areas will want to debate this motion. It is not unreasonable for this House to hear about the true impact upon local communities of the Government's plans. Teenage children have been contacting my office to say that they will not be able to fish off their local beaches or off their local headlands because the Attorney General, Minister for the Environment, and Minister for the Arts, Bob Debus, has been doing secret deals with the Greens to make sure that their preferences flow to Labor at the next State election. That is what these marine parks are all about. Let us bring on the debate, and let us have the debate tomorrow. [*Time expired.*]

**Mr CARL SCULLY** (Smithfield—Minister for Police) [2.30 p.m.]: This motion is complete rubbish. Before I refute the outrageous claims and assertions that have been made by an apology for a member of Parliament who can barely find his way to his own electorate and has come into this House and pushed mischief, deceit and untruths, I point out that I have spoken to the Minister. Members opposite do not like this. They come here, peddle lies and untruths, and think they can get away with it.

**Mr Barry O'Farrell**: Point of order: The Leader of the House is abusing the standing orders. He knows that what he has now is an opportunity to respond to the substantive issues raised by the honourable member for Bega, to demonstrate his reasonableness, to demonstrate his capacity to lead his party with reasonableness and to respond positively to the motion moved by the honourable member for Bega.

**Mr SPEAKER**: Order! I do not disagree with the point of order raised by the Deputy Leader of the Opposition. However, at this stage the Leader of the House is complying with the standing orders.

**Mr CARL SCULLY:** God forbid that the Deputy Leader of the Opposition will ever be Leader of the House and occupy a place on the government side of the Chamber. I will tell him what his job might be in about 20 years time, if he stays around long enough. It is to advise the House on whether a motion, such as the one of which the honourable member for Bega has given notice, will be given priority. Normally I would say no because the motion was outrageous. But because the untruths, the deceit and the mischief are so outrageous, the matter needs to be addressed, and the Minister will be pleased to do so tomorrow. So, yes!

**Motion agreed to.**

### **DISTINGUISHED VISITORS**

**Mr SPEAKER:** I welcome to the Speaker's Gallery His Excellency Mr Tammam Sulaiman, the Ambassador of the Syrian Arab Republic.

### **QUESTIONS WITHOUT NOTICE**

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#### **LEWIS CASS WHEELCHAIR REPLACEMENT**

**Mr PETER DEBNAM:** I direct my question to the Premier. Given that it has been two months since, in an attempt to fix headlines, the Premier and his Minister for Health promised Lewis Cass a new wheelchair, why, after 11 long years, does his Government act only after a bad front-page story?

**Mr SPEAKER:** Order! The Leader of the Opposition knows the standing orders in relation to the use of props.

**Mr MORRIS IEMMA:** Let me say at the outset that funding is not an issue in the provision of an appropriate wheelchair for Lewis Cass. The advice from Professor Les White of the Sydney Children's Hospital is that the process of selection and design of an appropriate custom-built wheelchair for young Lewis began on 14 March this year when arrangements were made with distributors to demonstrate their range of motorised wheelchairs. The advice I have been given further states that an appointment was held at the neuromuscular clinic to trial two wheelchair models and to discuss various types of seating options.

I am further advised that trials began on 17 March. I am also advised that the hospital placed an order for the design of the chair on 23 March. I am further advised that each and every aspect of the wheelchair, from the seat to the operation, size and angle of the control stick, was then tested with young Lewis. I am advised that this began in a series of home visits commencing on 27 March. I am further advised, "... this testing and design process took longer than any of us would have wanted, but was not for lack of will or effort."

**Mr Peter Debnam:** Why?

**Mr MORRIS IEMMA:** Because it was necessary to tailor the wheelchair to the needs of this young child. The easiest thing would have been to give him just any wheelchair, but a special effort needed to be made to ensure that the child has a wheelchair that is appropriate to his needs—not just any wheelchair, but one appropriate to his needs because he has a serious condition. The advice from the hospital is that the process began on 27 March. I am further advised that the area health service and the treating team have worked to ensure that the individual component parts that have been chosen are the most suitable for this very special case.

*[Interruption]*

For the benefit of the honourable member for Coffs Harbour, I repeat that the component parts that have been chosen, such as the seat, are the most suitable for this child. One of the component parts required is a seat that is adjustable and that will be appropriate as the child grows. I am further advised that clinical experts have been in contact and in consultation with Lewis and his family to ensure that each aspect of this custom-made wheelchair is compatible with Lewis's condition. The wheelchair must synchronise components from the two manufacturers involved in the chair to deliver the type of mobility that is sought to be achieved for this little boy. I am further advised that from the outset in March there has been a continual process involving occupational therapists, the suppliers' representatives in Sydney and a number of other professionals to design and construct a machine that will be compatible for this young boy.

I make the point again that this approach has been adopted in the light of his very serious disability. I am further advised that the area health service has made an appointment to obtain a temporary wheelchair, which will be better than the one he has had until now. The loan of that wheelchair will be provided to him in the short term. In the longer term, a specially designed chair will be provided which has an adjustable seat, and that will have to come from the United States of America. I am advised that two manufacturers are involved in this process: a manufacturer in the United States of America and the base manufacturer in Melbourne. I make this important point: There is no agenda to deny this boy a wheelchair; there is a careful and considered process to get a wheelchair that is most appropriate to the little boy's serious condition, which requires special attention. I am sure that the wheelchair will be provided to him as soon as possible so that his quality of life can be improved.

In answer to the second part of the question regarding the budget for the Program of Appliances for Disabled People, in just 12 months there has been a 27 per cent increase, to \$24 million, in the 2005-06 budget. That all the needs in the area of disabilities have not been met is to state a fact. However, I will finish off on this point: Within the Government we have a very careful and considered process of reform to disability services, about which we will have a lot more to say in the not too distant future. That is unlike the Leader of the Opposition, who makes it up as he goes along, as he did today; he shoots from the hip and makes it up as he goes along, or he engages in hysterical exaggeration.

**Mr Peter Debnam:** Point of order: My point of order is relevance. When is he going to get the chair?

**Mr SPEAKER:** Order! There is no point of order. The Premier has not uttered one irrelevant sentence in his answer to the question asked by the Leader of the Opposition. The Leader of the Opposition will resume his seat.

**Mr MORRIS IEMMA:** The Leader of the Opposition might like to ask his colleague sitting on his left about manuals on spinning; he may give him a rundown on The Nationals. The point is this: A process is being undertaken to design and acquire an appropriate wheelchair for that little boy. In relation to the wider issue of disability services, the Government has given a careful and considered response on the needs in the area of disabilities. That leaves us a long way ahead of the Leader of the Opposition, who has no policies, no vision and above all offers no hope, not just for those with disabilities in this State but those with a mental illness, those with health problems, our children in education, and across every area of government activity. The Leader of the Opposition has no policy with which to bless himself, except for the one that he pulls out every morning. He pulls it out and makes it up as he goes, he just says, "Here is another policy, unfunded" and yet it is another addition to the black hole.

**Mr Brad Hazzard:** Point of order: Premier, you need to explain why you—

**Mr SPEAKER:** What is the point of order? The honourable member for Wakehurst will address the Chair, not the Premier.

**Mr Brad Hazzard:** Standing Order 138 states that he should be reminded that Premier Bob Carr went out the back door when people were in wheelchairs. The people with disabilities know that the Government has done absolutely nothing for years.

**Mr SPEAKER:** Order! There is no point of order. The honourable member for Wakehurst will resume his seat.

[*Interruption*]

**Mr SPEAKER:** Order! I call the honourable member for Wakehurst to order. The honourable member for Wakehurst will resume his seat.

#### **CHILDREN AND YOUNG PEOPLE IN OUT-OF-HOME CARE CASEWORKER SUPPORT**

**Ms ANGELA D'AMORE:** My question is addressed to the Minister for Community Services. What action is the Government taking to improve outcomes for children and young people who cannot live safely at home?

**Ms REBA MEAGHER:** All across New South Wales there are kids who, through no fault of their own, are unable to live at home safely, where circumstances are so desperate that there is no option but to

provide them with an alternative place to call home, through foster care or even adoption. The Government wants to give those kids a more stable and secure future. That is why I am very proud to inform the House that the Iemma Government will engage an additional 150 caseworkers to support children in out-of-home care and their carers. That is a doubling of our commitment to new out-of-home care caseworkers. It means we are delivering 300 extra out-of-home care caseworkers under our \$1.2 billion Department of Community Services reform plan. That additional commitment will take the number of new caseworkers to 1,025 when reforms are fully rolled-out by June 2008. No Government has invested more in supporting vulnerable children, their families and carers.

New caseworkers mean having more manageable workloads. That means assessments can be conducted quickly and individual children can receive more attention. Special needs can also be identified early and support services provided to the children that need them. The new caseworkers will see children and young people better matched with carers who are best able to meet their needs. Disrupted placements have a damaging long-term effect on children and young people in out-of-home care. This affects their social, emotional and educational outcomes. Additional caseworkers will be able to provide more responsive and timely support to more children and their carers at critical periods during a placement, thereby minimising disruptions and giving kids a better chance of settling into a family. The caseworker positions build on what we are already doing to support children in out-of-home care. We believe that children who can never return to their natural parents deserve the security, stability and sense of belonging to a family that they can call their own.

That is why the Department of Community Services has embarked on a new direction with its Permanency Planning Demonstration Project. This trial is currently underway in Penrith, Campbelltown, eastern Sydney and Newtown. The project will match children with suitable families that can provide them with a long-term loving and supportive home, a permanent home and a permanent family. This may be through adoption or where the children have developed a strong bond with their foster carers and the foster carers feel the same, that placement will be made permanent. The New South Wales Government makes no apology for putting the interests of those vulnerable children and young people ahead of those of the adults who have failed them. We know that instability and uncertainty only adds to the traumas those children are already coping with and it is our responsibility to do better, to offer them the reassurance of knowing that they have a loving family that will always be there for them.

Kids deserve a family that they know will be there to help shoulder the burden when things get tough and to help them celebrate their successes and achievements. Those who do the invaluable work of caring for those children are also being looked after. Last September, we increased Foster Carer Allowances by up to \$21 per fortnight and linked allowances to the consumer price index so they now keep pace with the cost of living, an adjustment we will now make annually. We have also put in place other support such as local advisory groups, a foster carers' hotline and officers to deal with any problems that may arise. Our foster carers do a marvellous job of supporting and caring for some of the State's most vulnerable children and young people. They deserve our respect and admiration. Today we are backing them up with the support of hundreds of new caseworkers and with a policy that puts stability and permanency first. Our children and young people deserve nothing less.

### SCHOOL ZONE FLASHING LIGHTS FUNDING

**Mr PETER DEBNAM:** My question is directed to the Premier. Given that a leaked letter from the Treasurer to the Minister for Roads states that the Government's school crossing media announcement "has not yet been costed" and "will not be reflected in the upcoming State Budget", is the Premier going to fund and deliver that announcement? Or is this just another case of the Government fixing the headline, not the problem?

**Mr MORRIS IEMMA:** The Leader of the Opposition is feeling the pressure. The first part of the crossing package, the \$17 million package announced yesterday, comes from the Roads and Traffic Authority funds.

**Mr Barry O'Farrell:** Not costed, not funded.

**Mr MORRIS IEMMA:** It is costed from the Roads and Traffic Authority funding sources, as the Minister made clear, as the Deputy Leader of the Opposition is well aware. In relation to the flashing lights, the Minister's announcement was an expression of interest, to seek expressions of interest on the best technology and participation in the private sector for sponsorship of the flashing lights.

**Mr Peter Debnam:** Point of order—

**Mr SPEAKER:** Is this a point of order?

**Mr Peter Debnam:** I don't know if Frank wants to make a contribution.

**Mr SPEAKER:** Order! If the Leader of the Opposition does not know whether he is taking a point of order, I ask him to resume his seat.

**Mr Peter Debnam:** I will not sit down until I take a point of order. You might like to address your own benches.

**Mr SPEAKER:** Order! I asked the Leader of the Opposition whether he was taking a point of order and I understood him to say he did not know.

**Mr Peter Debnam:** My point of order relates to relevance. The question is simply to do with a letter from Michael Costa to Eric Roozendaal that was written in the past 24 hours—

**Mr SPEAKER:** Order! As I understood the question it related to funding. The Premier has answered the question.

**Mr MORRIS IEMMA:** Go upstairs, track down the Hon. Michael Gallacher and ask him about this. The Hon. Michael Gallacher from the Central Coast is very helpful. Of course, going to expressions of interest will not be reflected in the budget. What a surprise to the Leader of the Opposition! The Government is proceeding immediately to expressions of interest on the flashing lights. The Minister had already answered the other part of the honourable member's question relating to crossings. The Government is establishing a roundtable and engaging with local school communities on road safety measures. Opposition members might want to state how they are going to fund their unfunded promises. How are they going to fund all the other measures they make up as they go along every day?

**Mr Peter Debnam:** Mr Speaker—

**Mr SPEAKER:** Order! The Leader of the Opposition will stop flouting the standing orders and resume his seat.

**Mr MORRIS IEMMA:** When the Leader of the Opposition is asked, as he was at the millennium forum, he says, "I will get back to you later." When the Leader of the Opposition was asked in front of 700 delegates at the Property Council function what his priorities were for New South Wales, he said, "I do not have any. Ask me a bit closer to the election." Every time he is asked for a policy he says, "I do not have one. I will get back to you later." Whenever an issue in the media involves dollars he calls a press conference and says, "There is the money." He just pulls it out of thin air. No matter what issue it involves he says, "We are going to spend."

The Leader of the Opposition does that without any policy, without any plan, and without any consideration whatsoever. He just makes it up as he goes along and while he is doing that he exaggerates. The Leader of the Opposition gets down to a level of hysteria in relation to every issue. The challenge for the Coalition is to come up with a policy or a plan. The challenge for the Coalition is to find how it is going to fund its outrageous promises. Every interest group that knocks on the door gets a yes, a tick, and more millions go out the door. The Coalition does not have the foggiest idea how it is going to pay for it. The Leader of the Opposition just makes it up as he goes along.

**Mr Gerard Martin:** Go back to sleep.

**Mr MORRIS IEMMA:** That is good advice for the Leader of the Opposition. Go back to sleep.

### CHILDHOOD OBESITY

**Mr BRYCE GAUDRY:** My question without notice is directed to the Premier. What is the latest information on the Government's efforts to reduce childhood obesity?

**Mr MORRIS IEMMA:** We face a childhood obesity epidemic. One in four children in New South Wales is overweight or obese. And because our kids are getting fatter they are also getting sicker. Doctors are

seeing problems like type 2 diabetes and even heart disease in children as young as 15—conditions seen previously only in adults. One of the big culprits is junk food. In our childhood we regarded junk food as a treat but today it has become children's everyday staple diet. It is leading to disastrous results. Today the Minister for Health, the Minister for Education and Training and I revealed the results of a school physical activity and nutrition survey. It is the nation's most comprehensive survey into the exercise and eating habits of young people and it shows a very disturbing trend.

Despite the fact that children are more active today than they were in 1997, childhood obesity is steadily rising. Exercise levels are growing, with some 75 per cent of students getting at least 60 minutes of moderate to vigorous physical activity every day. Despite that surprising and welcome result, children's calorie intakes are growing even faster than their rate of exercise. That means we need to do more in the area of diet and nutrition. This poses a huge challenge for families in today's stressed and busy world. We need to support and encourage parents to adopt healthier lifestyles and diets.

**Mr SPEAKER:** Order! The Deputy Leader of the Opposition and the honourable member for Bathurst will come to order. The Premier has the call.

**Mr MORRIS IEMMA:** In particular, parents need to ensure that their children have a hearty and nourishing breakfast, and that they eat dinner as a family at the table every night instead of in front of the television. The survey made an important point: a disturbing trend of children missing meals, particularly breakfast, and a disturbing trend of the evening meal being eaten in front of the television.

**Mr Andrew Stoner:** They are watching Coalition policies.

**Mr MORRIS IEMMA:** They would be watching a blank screen.

**Mr SPEAKER:** Order! Government members will come to order.

**Mr MORRIS IEMMA:** They would be watching a fuzzy black and white screen.

**Mr SPEAKER:** Order! I am reluctant to call the honourable member for Wakehurst to order a second time. However, I will overcome any reluctance to do so if he does not resume his seat.

**Mr MORRIS IEMMA:** As the report pointed out, if children are not watching television screens they are playing computer or PlayStation games. If they were watching Coalition policies I am sure the screen would flash a message that it did not compute.

**Mr SPEAKER:** Order! The Premier has the call. The honourable member for East Hills will come to order.

**Mr Peter Debnam:** Is he finished?

**Mr MORRIS IEMMA:** No, I am not finished.

**Mr SPEAKER:** Order! The House will come to order. The Premier will respond to the question.

**Mr MORRIS IEMMA:** Better diets are also a challenge for our schools—the place where our children spend so much time in their formative years. That is why the Government has made a very practical decision to help schools do the right thing by our children. We are banning soft drinks from school canteens. This is a considered response and part of our overall obesity strategy.

**Mr Brad Hazzard:** Point of order: The Premier might be aware that the former Premier made this same announcement in 2003. The Premier is three years too late.

**Mr SPEAKER:** Order! There is no point of order. If the honourable member for Wakehurst wishes to make a personal explanation he can use the forms of the House. The Premier has the call.

**Mr MORRIS IEMMA:** The healthy eating canteen guide was issued in 2003. Schools have a duty of care to our children, and no duty is more important than protecting our children's health. Banning soft drink will support other government strategies such as Healthy Canteens, the 2003 initiative, which restricts fatty and

sugary food and sets an example to parents about what their children should and should not consume. The Government has already channelled \$4 million towards childhood obesity initiatives, investing in measures such as the nation's largest ever childhood prevention obesity trial in the Hunter New England Area Health Service, \$1.1 million for ongoing research, and \$600,000 for school programs like our Healthy Canteens strategy. Those investments are necessary and welcome. In the end, beating obesity comes down to what happens in our homes and in our schools. Children will eat better and exercise more if we set the boundaries and set an example. Schools are no place for junk food. Kids go to school to learn and grow. By taking junk food out of our canteens we are doing them a favour that will last a lifetime.

### SCHOOL PEDESTRIAN CROSSINGS SAFETY

**Mr ANDREW STONER:** My question is directed to the Premier. As a leaked letter from the Treasurer to the Minister for Roads states that any funding for the Government's school crossing package will be met through a "reprioritisation of the RTA's capital program", which country roads and highways will lose capital funding due to the Premier's failure to provide new money for the package?

**Mr MORRIS IEMMA:** I answered that question previously.

### SYDNEY HARBOUR COUNTER-TERRORISM EXERCISE

**Mr ALLAN SHEARAN:** My question is addressed to the Minister for Police. What is the latest information on the Government's efforts to protect Sydney from the threat of terrorism and related matters?

**Mr CARL SCULLY:** Last week about 400 trained emergency services personnel—both Federal and State—participated in a counter-terrorism exercise on Sydney Harbour. Neptune's Treasure was a three-day tactical exercise that presented unique challenges to NSW Police, working in conjunction with the Australian Defence Force and emergency services personnel. The scenario involved terrorists hijacking two ferries on Sydney Harbour. Critical infrastructure was threatened, as were a number of hostages on board the Sydney ferries. For the first time in these exercises our combined forces were presented with the task of dealing with two terrorist strongholds at the same time. The situation was resolved when simultaneous assaults were launched on both vessels in the early hours.

I am advised that the results of the exercise were as follows. Two police officers were "killed" in the scenario, three hostages were "injured"—although none seriously—and 17 terrorists were "killed". If such an incident really happened it would be unpredictable and our police would be placed in high-risk situations. A detailed assessment of what took place is now under way, as would happen if a similar incident really occurred. It is most important that Federal and State law enforcement agencies learn from this scenario. In particular, I have asked why the two police officers were "killed". Was it a command-and-control situation? Did those individual officers make decisions that resulted in their deaths? Would changes to command-and-control arrangements and decision making on the ground minimise the risk of deaths occurring if a terrorist event were to unfold?

That brings me to the shadow Minister for Emergency Services. He disgraced himself. Anyone who is vaguely familiar with the 9/11 commission of inquiry will know that one of its principal findings was that North American law enforcement agencies failed to co-operate. They were working with a silo mentality and not co-operating or sharing information. In fact, law enforcement agencies throughout the Western World have learned from 9/11 and its commission of inquiry. There is an enormous level of co-operation between State and Federal law enforcement agencies and their counterparts in London, elsewhere in Europe and in North America.

The New South Wales police force has a very good working relationship with the Australian Federal Police, ASIO, the customs office, and our military. One would think the Opposition would recognise that it is sensible to conduct a Federal-State co-operative exercise involving a terrorist scenario on Sydney Harbour in which our State law enforcement agencies and the military also participated. But, no, that character opposite held a press conference and said, "This is a political stunt." I was reeling from that attack. I thought, "That's it, let's cancel the exercise. Go to the Premier and ring the Prime Minister! It's all off because Andrew Humpherson says this is a stunt. Sorry, to the 400 personnel involved in the exercise." But the honourable member's absolute clanger—his knock-out blow—was his claim that the State Government was hanging onto the coat-tails of the Federal Government.

**Mr SPEAKER:** Order! The honourable member for Davidson will resume his seat. I call him to order.

[*Interruption*]

**Mr SPEAKER:** Order! The honourable member for Davidson will stop exposing the House to his nonsense and resume his seat. I call him to order for the second time.

**Mr CARL SCULLY:** This character is obviously embarrassed about his behaviour. Who was at the scenario launch with the Premier? None other than the Federal Minister for Justice and Customs, Chris Ellison, representing the Prime Minister. He is my counterpart at Australasian meetings of Justice and Police Ministers. And who was by his side? None other than the Chief of Staff, Tactical Action Group East. I was aware of the Opposition's view about the exercise, so I asked the chief of staff, "What are the roles of the military and our law enforcement agencies?" I was interested to hear a military view. He replied, "It's quite simple: the law enforcement agencies of the States have the primary lead role in managing a terrorist scenario." So I asked about the role of the military. He replied, "Not surprisingly, it's a combat role." He then said, "If terrorists need to be killed quickly and hostages freed urgently, the military is called in, they take over and then it goes to the law enforcement agencies." They were his words, and I hope we never reach that situation. Those opposite have absolutely no idea.

**Mr SPEAKER:** Order! I call the honourable member for Davidson to order for the third time. I have now called the honourable member for Davidson to order three times. I warn him that one more transgression will lead to his removal from the Chamber, and it will not be for only an hour or two.

**Mr CARL SCULLY:** There is great co-operation between the Premier, the Prime Minister, me, my counterparts at the Federal level, Ken Moroney, Mick Keelty—who has been doing a fantastic job—and the head of ASIO. The Federal and State governments are working together across the political divide, irrespective of the different political parties represented, and this character opposite wanders bone-headed into his own press conference and makes those comments. But I do not hold the honourable member fully responsible. He speaks on behalf of his leader so he would not have made those remarks unless the honourable member for Vaucluse had okayed them.

**Mr Peter Debnam:** Point of order: I had thought the Minister for Police was looking like a real Premier but I think he has lost the plot.

**Mr SPEAKER:** Order! The Leader of the Opposition will resume his seat.

[*Interruption*]

**Mr SPEAKER:** Order! The Leader of the Opposition will resume his seat. The Minister for Police has the call.

**Mr CARL SCULLY:** The Leader of the Opposition mentioned alternative Premiers so let us talk about him. I think we are entitled to hear about his performance. On Sunday the Premier, the Leader of the Opposition and I attended the police union conference, which is held every two years. The performance of the Leader of the Opposition was embarrassing. It was pathetic.

**Mr SPEAKER:** Order! The honourable member for Murrumbidgee will come to order.

**Mr CARL SCULLY:** The Leader of the Opposition pretends to hold dear the issue of law and order. He is always jumping up and bagging the cops, making disparaging remarks about police senior leadership, and trying to earn credit. I thought the Leader of the Opposition might have something sensible to say on Sunday. I am told he had to be convinced by the union to attend because he did not think the conference was important. Then he could not work out what to say. His office was in a panic, frantically looking for the speech he gave two years ago. He found the two-year-old speech and used half of it as the basis of his address to the conference.

The rest of his presentation clearly showed that the Leader of the Opposition had not thought about the issues of moment to police across the State. He had not thought about the law and order issues that matter to our community. He had only a collection of notes that he had scribbled down in the car on the way up the F3. Contrast the performance of the Leader of the Opposition with that of the Premier, on behalf of the Government. We read about it in the newspaper. The Premier gave a fantastic presentation to the conference on a range of issues to do with complaints handling, making police officers' jobs easier, streamlining red tape and providing safer working environments. All the issues that police are worried about were robustly addressed by the Premier and were very well received. I asked some of the police, who are not necessarily interested—

[*Interruption*]

**Mr SPEAKER:** Order! The honourable member for Bathurst will come to order.

**Mr CARL SCULLY:** I said to them "What did you think of that performance?" I personally found it pathetic and embarrassing, and they seconded it. The Opposition has this character going around bagging the Commonwealth-States relationships on counter terrorism—and shame on you; I am disgusted by your behaviour. Then the Leader of the Opposition insulted delegates at a conference, first by saying he would not attend, second by saying he might turn up late, and third by not bothering to think about the issues that really matter to them. Shame on you! You are unfit to govern.

### **SNOWY HYDRO LIMITED SALE**

**Mr ANDREW STONER:** My question is directed to the Premier. As the honourable member for Monaro is closely aware of the details of the float of the Snowy Hydro, and today admitted he is registered for the float prospectus and is considering buying shares, will the Premier inform the House how many other Labor—

**Mr Gerard Martin:** That's a lie!

**Mr ANDREW STONER:** Do you want the transcript, dopey? Will the Premier inform the House how many other members of the Government intend buying shares in Snowy Hydro in view of a potential conflict of interest?

**Mr MORRIS IEMMA:** He did not say that at all.

**Mr ANDREW STONER:** I ask a supplementary question. In view of the Premier's answer, will he inform the public, including prospective shareholders, what the Government will do with the proceeds of the float of Snowy Hydro Limited?

**Mr SPEAKER:** Order! A supplementary question must arise from the answer to the original question. I rule the supplementary question out of order.

### **NEW SOUTH WALES MEANS BUSINESS CAMPAIGN**

**Mr PAUL GIBSON:** My question is addressed to the Premier. How is the Government attracting more investment and jobs to New South Wales?

**Mr MORRIS IEMMA:** Tonight this year's first State of Origin clash takes place at Sydney's great Olympic icon—Telstra Stadium. The House sends one united message to Graham Murray, Danny Buderus and the boys: "Crush those cane toads! And make Peter Beattie eat humble pie." In New South Wales the Government places business and investment as the number one priority. As far as this Government is concerned, when it comes to investment it is game on. Tonight the Government will launch an aggressive campaign to win jobs and growth for New South Wales—a message that it will sell to Australia and the world.

The Government will launch a "New South Wales Means Business" campaign to promote the strengths and opportunities of Australia's premier economy. Queensland is crudely attempting to lure our people and businesses away. Well, it can try all it likes but the fact is that if someone wants to turbo-charge their career, they move to Sydney. If someone wants to do business on the world stage, they set up in New South Wales. That is because New South Wales is the nation's leading economy, the place where Australia meets the world.

New South Wales is the place that global firms such as IBM, Amex, State Street, Reuters and Deutsche Bank have all chosen to call home. And New South Wales is the preferred destination for 19 per cent of Australia's State-sponsored business migrants, up from just 2 per cent in 2004 to the current 3.5 per cent. The campaign will tell the rest of Australia and the world that New South Wales is number one, and is intent on staying number one. I strongly hold the view—

**Mr Brad Hazzard:** Your team is still in the dressing sheds. No chance!

**Mr MORRIS IEMMA:** There he goes again.

**Mr SPEAKER:** Order! The honourable member for Wakehurst will come to order.

[*Interruption*]

**Mr SPEAKER:** Order! I call the honourable member for Wakehurst to order for the second time.

**Mr MORRIS IEMMA:** The honourable member for Wakehurst will not get out of the starter's box when Wendy Harmer gets going. It will be Whirlwind Wendy all the way to Wakehurst. The Government's campaign starts during tonight's State of Origin game. In August we will take the fight to Queensland and Victoria and the world. The detail of the campaign will be rolled out in coming months. But I can advise today that it will include a more aggressive drive for talent and skills. Investment bankers in New York do not pine wistfully for the muddy banks of the Yarra or the tropical torpor of Brisbane. If they want a change they will go from Manhattan to Sydney, and that is the message we will strongly and confidently sell. New South Wales is Australia's most sophisticated and globalised economy. The opportunities, the excitement, the energy are here. And when it comes to attracting business and talent, New South Wales means business. Game on!

#### **PORT MACQUARIE BASE HOSPITAL MENTAL HEALTH AND ACCIDENT AND EMERGENCY FACILITIES**

**Mr ROBERT OAKESHOTT:** My question is directed to the Premier. In February last year when the Government bought back the Port Macquarie Base Hospital for \$8 million, the Premier, in his capacity as Minister for Health at the time, made a clear and positive statement that the two priorities for Port Macquarie would be improved mental health services and improved accident and emergency facilities—

**Mr SPEAKER:** Order! Clearly the question asked by the honourable member for Port Macquarie is too lengthy. I will give him an opportunity to ask the question later in question time.

#### **RURAL AND REGIONAL MENTAL ILLNESS SUPPORT**

**Mr NEVILLE NEWELL:** My question is addressed to the Minister Assisting the Minister for Health (Mental Health). What is the latest information on the Government's efforts to better support people with mental illness in rural and regional New South Wales?

**Miss CHERIE BURTON:** I thank the honourable member for Tweed for his continued interest in this important issue. The Government is in touch with the needs of country people. The effects of the drought, rural isolation, and the general pressures of living in rural and remote New South Wales mean that families in country New South Wales are doing it tough. They deserve support and will continue to get it from the Government. The Government wants to make sure that this support is going directly to country people who need it.

I inform the honourable member for Tweed and the House that I will tour country New South Wales to continue to build on our partnerships with rural and regional communities. Professor Brian Kelly, the head of the Centre for Rural and Remote Mental Health, representatives from the Rural Mental Health Network and members of Country Labor will join me on the tour. We will travel to many country communities, including Queanbeyan with the honourable member for Monaro, Tweed with the honourable member for Tweed, Armidale with the honourable member for Northern Tablelands, Maitland with the honourable member for Maitland, and Orange.

I remind the House that since 2003, as Parliamentary Secretary assisting with mental health I visited all country areas twice: once to make sure all the Government's funding was going to the right places and, second, to review the Mental Health Act. The Government is in touch with how mental health affects people in country New South Wales. On the tour I will meet with mental health professionals, non-government organisations, consumers and carers and their families. Honourable members will recall that earlier this month I held the first rural health network roundtable, giving the network direct access to and open dialogue with the Government. It gave the network the opportunity to bring to our attention the issues facing country families, such as the breakdown of social networks in rural and regional areas, and the effects this can have on a person's mental health.

At this roundtable we agreed to meet on a regular basis to ensure that the Iemma Government's quarter of a billion dollar investment in mental health services in country New South Wales is achieving outcomes for those most in need. This rural and regional tour will allow us to further this aim. We will meet with the people

in those communities directly affected by mental illness and listen to their ideas about how we can continue to close the gaps in mental health services. The support this Government provides is directed towards practical solutions to support people suffering from a mental illness, their families, carers and mental health professionals; for example, a further \$1.35 million, over the next three years, for the Centre for Rural and Remote Mental Health, taking the total funding for the centre to nearly \$7 million; and the Rural Critical Care Program—

**Mr SPEAKER:** Order! The Minister has the call.

**Miss CHERIE BURTON:** It is about time members on the other side of the House listened, instead of running around and whipping up hysteria in country New South Wales—as usual, using people who suffer from a mental illness, some of the most vulnerable people in our community, to score cheap political points for themselves. They do not want to listen to answers given in this House.

**Mr Andrew Stoner:** The people in the bush are not happy with you.

**Mr SPEAKER:** Order! The Leader of The Nationals will come to order.

**Miss CHERIE BURTON:** The Leader of The Nationals in particular is not listening. All he ever talks about is what is happening in the city. He has no idea what is happening in the country.

**Mr SPEAKER:** Order! The Leader of The Nationals will come to order.

*[Interruption]*

**Mr SPEAKER:** Order! I call the Leader of The Nationals to order.

**Miss CHERIE BURTON:** Here is yet another announcement of a very exciting initiative, and one that is supported by rural communities. The rural remote network has representatives from 19 different organisations across country New South Wales. They will be touring with us and assisting us to constructively ensure that all of the extra funding being poured into mental health services is being directed to those most in need. Those representatives are on board. But all that members on the other side of the House want to do is talk down country New South Wales. That is an absolute disgrace. Opposition members should be ashamed of themselves, particularly the shadow Minister, who constantly winds up the community by saying there are no mental health services. She should be ashamed of herself. She makes up figures.

**Mr Barry O'Farrell:** Point of order: I take this point of order to allow the Minister to compose herself.

**Mr SPEAKER:** What is the point of order?

**Mr Barry O'Farrell:** It is Standing Order 139, and I ask you to enforce it.

**Mr SPEAKER:** Order! The Minister was responding to the question asked, and I am sure she will continue to do so.

**Miss CHERIE BURTON:** The only thing the Deputy Leader of the Opposition does in this Parliament is muckrake. He has nothing positive to say and no real contribution to make. Actually, he is lucky to be still in this place. So we will just ignore his interjection. Returning to mental health services: I congratulate the people of country New South Wales. I congratulate New South Wales Farmers—

**Mr Andrew Stoner:** Why are you always so bitter?

**Mr SPEAKER:** Order!

**Miss CHERIE BURTON:** It really hurts Opposition members to know that the Government is doing a good job in mental health. They know the Government has the support of country New South Wales and of metropolitan areas—and that kills them! That is why, when Government members speak in this House about the positive measures the Government is taking, Opposition members go crazy. Listen to them! They are an absolute disgrace.

**Mr SPEAKER:** Order! The honourable member for North Shore will come to order. A number of members have been called to order a number of times. I deem them to be on three calls to order for the rest of question time.

**Miss CHERIE BURTON:** Mental health, for those on this side of the House, is not a political football, and it is not something to be dealt with lightly. That is why the Premier took to the Council of Australian Governments a whole list of proposals, so that we could work together in a national framework to deliver better mental health services across Australia, not just in New South Wales. While Opposition members continue to bag country New South Wales, bag our mental health workers and bag mental health services, the Government is working constructively with the community and with other governments across Australia to ensure that we continue to improve our mental health services. Opposition members are a disgrace.

#### **PORT MACQUARIE BASE HOSPITAL MENTAL HEALTH AND ACCIDENT AND EMERGENCY FACILITIES**

**Mr ROBERT OAKESHOTT:** My question is addressed to the Premier. As it is fifteen months since the Government bought back Port Macquarie hospital, is the Premier now in a position to outline in detail what his Government will do to improve mental health services and accident and emergency facilities at the hospital?

**Mr MORRIS IEMMA:** The honourable member for Port Macquarie raises two points in his question. Yes, the Government did buy back Port Macquarie hospital, and we are very proud that we did. We returned the Port Macquarie hospital to the public system—after the shameful sale of Port Macquarie hospital, and the shameful deal that saw the taxpayer pay for Port Macquarie hospital twice. In the words of the Auditor-General, in that famous report, the people of New South Wales paid for the hospital twice, and the Coalition Government gave it away. So my Government is very proud that it bought back the hospital. Yes, I confirm that the Government is proud that it bought the hospital back. In relation to health services at Port Macquarie, as the honourable member would be aware, in October last year construction started on breast screening facilities. He would also be aware that construction of the radiotherapy facility commenced in February this year. In relation to the commitment made regarding mental health, the honourable member would also be aware that a master plan process commenced after that, with the Government funding master planning.

**Mr SPEAKER:** Order! The honourable member for Clarence will come to order.

**Mr MORRIS IEMMA:** The Government has a very strong commitment to Port Macquarie hospital. That is why we worked very hard to buy it back and return it to the public system. That is why the breast screening facility is under construction. That is why the radiotherapy facility is under construction. And, I might add, Kay Patterson, when Federal Minister for Health, promised a Commonwealth contribution to the radiotherapy centre for Coffs Harbour and Port Macquarie. But, in the end, what was the Commonwealth's contribution? Nothing! The Federal Government reneged on its commitment. The honourable member for Clarence, before he starts interjecting, might want to get on the phone to Canberra and say, "Where are the dollars for the Port Macquarie and Coffs Harbour cancer care centres?" In relation to mental health, as the honourable member for Port Macquarie would know, the Mid North Coast Area Health Service is working through a number of options for mental health services at Port Macquarie.

**Mr Adrian Piccoli:** Point of order: My point of order relates to relevance. The honourable member for Port Macquarie asked a very good question. It asked the Premier what action he has taken to improve health services in Port Macquarie. The question was not about the Federal Government. The honourable member, on behalf of his community, asked for answers about the hospital and undertakings that Morris Iemma gave 15 months ago. I ask you to direct the Premier to address the question.

**Mr SPEAKER:** Order! The honourable member for Murrumbidgee's observations are correct. However, his point of order that the Premier is not addressing the question is not correct. The Premier is responding to the question he was asked.

**Mr MORRIS IEMMA:** The honourable member would be aware of the master planning process, and he would be aware also of the options that are under examination for mental health services, involving community mental health, inpatient care, the examination of gazetted events.

**Mr Steve Cansdell:** Point of order: My point of order is relevance. The Premier broke a promise about hospital upgrades in this community.

**Mr SPEAKER:** Order! There is no point of order. The honourable member for Clarence knows better than that.

*[Interruption]*

**Mr SPEAKER:** Order! If the behaviour of the honourable member for Clarence continues he will be called to order.

*[Interruption]*

**Mr SPEAKER:** Order! I call the honourable member for Clarence to order. He will resume his seat.

**Questions without notice concluded.**

## HONOURABLE MEMBER FOR MONARO

### Personal Explanation

**Mr STEVE WHAN,** by leave: I wish to make a personal explanation.

**Mr SPEAKER:** Order! I deem the honourable member for Bega to be on three calls to order and warn him that if he offends again he will be removed from the Chamber.

**Mr STEVE WHAN:** Earlier today, in question time, the Opposition raised the question of registration for share prospectuses. I have registered for a share prospectus for Snowy Hydro because, as the local member, I want to be able to read all the documentation that goes with it. I have made it clear to ABC Bega—

**Mr Barry O'Farrell:** Point of order—

**Mr SPEAKER:** Order! The Leader of the House will resume his seat. The Deputy Leader of the Opposition has the call.

**Mr Barry O'Farrell:** My point of order is that you have ruled on successive occasions that when members on this side of the Chamber seek to make personal explanations, they can only point out where they have been misrepresented. They cannot debate the issue and they cannot provide background. That has been your repeated ruling.

**Mr SPEAKER:** Order! The Deputy Leader of the Opposition is correct. The honourable member for Monaro has provided an explanation, although he must show how his reputation has been impugned. I take it he will do that.

**Mr STEVE WHAN:** I made it absolutely clear to ABC radio in Bega that I would not buy shares in Snowy Hydro.

**Mr SPEAKER:** Order! The Deputy Leader of the Opposition will resume his seat.

*[Interruption]*

**Mr SPEAKER:** Order! The Deputy Leader of the Opposition will resume his seat. I presume what the honourable member for Monaro said is a matter of public record. The Leader of the House has the call.

**Mr Andrew Stoner:** Point of order—

**Mr SPEAKER:** Order! The Leader of The Nationals will resume his seat.

## SPECIAL ADJOURNMENT

**Motion by Mr Carl Scully agreed to:**

That the House at its rising this day do adjourn until Thursday 25 May 2006 at 10.00 a.m.

## BUSINESS OF THE HOUSE

### Routine of Business: Suspension of Standing and Sessional Orders

**Mr CARL SCULLY** (Smithfield—Minister for Police) [3.32 p.m.]: I move:

That standing and sessional orders be suspended to provide:

- (1) that during the current session, unless otherwise ordered, Government Business and General Business may be conducted during the currency of the Address-in-Reply debate;
- (2) from the commencement of private members' statements until the rising of the House at this sitting, no divisions or quorums to be called; and
- (3) for the following routine of business to apply from 7.30 p.m. at this sitting:
  - (a) the moving of an Address-in-Reply to the Lieutenant-Governor's Speech by the honourable member for Coogee and the seconding of the motion by the honourable member for Drummoyne, followed by debate on the Address-in-Reply by two Opposition speakers;
  - (b) the introduction of the Fair Trading Amendment Bill, up to and including the Minister's second reading speech;
  - (c) the introduction of the Courts Legislation Further Amendment Bill, notice of which was given this day, up to and including the Minister's second reading speech; and
  - (d) at the conclusion of Government Business, the House adjourn without motion moved.

**Mr BARRY O'FARRELL** (Ku-ring-gai—Deputy Leader of the Opposition) [3.33 p.m.]: In indicating to the House that we will not oppose the motion, it is important that I place on record the following quote: "I guess I'm not sure whether I'll end up buying shares or not." That is what that man said on radio yesterday.

**Mr SPEAKER:** Order! The Deputy Leader of the Opposition knows better than that.

**Mr Steve Whan:** Point of order: The Deputy Leader of the Opposition is not speaking to the motion. He should read what I said at 9.45 a.m.

**Mr BARRY O'FARRELL:** I am more than happy to let the record speak for itself. Whether he said it at 9.45 a.m., 10 o'clock, 10.15 a.m. or 10.30 a.m., the fact is the record—

**Mr SPEAKER:** Order! The Deputy Leader of the Opposition knows his remarks are out of order.

**Mr BARRY O'FARRELL:** The point I make, and I will now do a five-minute speech, thank you very much—

**Mr SPEAKER:** Order! The Deputy Leader of the Opposition knows the standing orders. He must confine his remarks to responding to the motion for the suspension of standing and sessional orders moved by the Leader of the House. He should not venture into sundry matters that have come before the House in the past or will come before the House in the future.

**Mr BARRY O'FARRELL:** With great respect, given the motion moved by the Leader of the House, your ruling is nonsensical because the motion refers to business that is to come up in the House. How can I possibly not refer to it?

**Mr Carl Scully:** Point of order: He is not allowed to reflect on the Chair.

**Mr SPEAKER:** Order! I do not take the remarks of the Deputy Leader of the Opposition as a reflection on the Chair. He is at liberty to comment on the ruling I have made on the point of order. However, I will hear further from the Deputy Leader of the Opposition before I allow him to continue to speak to the question before the Chair.

**Mr BARRY O'FARRELL:** The only submission I make for you to have a look at tomorrow is that the Minister's motion refers to two pieces of legislation, the fair trading bill and the courts administration bill. If you go back to the ruling you made, it is impossible for me to address this motion without reflecting on business that is to come before the House. But the only point I wanted to make is in relation to why the motion was moved.

The motion was moved today because tonight is State of Origin night. We do not want divisions and quorums to interrupt the business of the House. It means that other matters, which might relate to the honourable member for Monaro, cannot be discussed in the House this evening, although I am sure that some of my colleagues in their normal inventive and useful ways will inject into the Address-in-Reply debate issues relating to Snowy Hydro, prospectuses being issued, and who may or who may not take out ownership, including those members opposite who will have extra knowledge—inside knowledge, perhaps—as members of the Government party room.

The only other point I want to make is that we on this side support the Premier's wishes for the Blues this evening. But you would have to say that it has not been an auspicious start. First, Andrew Johns is not available; second, Craig Gower is not available, and now the New South Wales Blues have to put up with the New South Wales Labor Party being on their backs.

**Motion agreed to.**

## CONSIDERATION OF URGENT MOTIONS

### Skills Shortages

**Mr PETER BLACK** (Murray-Darling) [3.35 p.m.]: Nothing is more urgent in western New South Wales, indeed in regional and rural New South Wales in general, than issues arising from the Federal budget concerning the skills shortage. Yesterday we heard from my learned friend the honourable member for Liverpool a rather gruesome and sordid analysis of the entrails of the Liberal Party. But one section of the Liberal Party was not mentioned, and that was the canine section, formerly known as the National Party. What is the National Party now—one bark and 11 whimpers? We can demonstrate this in terms of urgency simply because they have failed—

[*Interruption*]

**Mr SPEAKER:** Order! The Leader of The Nationals will have his chance.

[*Interruption*]

**Mr SPEAKER:** Order! The Leader of The Nationals will resume his seat.

**Mr PETER BLACK:** Nothing is more urgent than the skills shortages in our mining industry, and I intend to dwell on this today. Our mining industry, because of Federal Government policy, currently is in receipt of people from all sorts of countries. In Broken Hill alone a section of seven people, engineers and the like, have come from no fewer than five different countries because The Nationals have failed to convince their Federal colleagues to train our own. There are no additional places for mining engineers in the budget. This is what we have to discuss today.

[*Interruption*]

They used to be called the National Party, but now they are called the canine party. Have a look at them! It is the only party that has had to bring its own auctioneer into this place. I am told that when they finally collapse they are going to run their own clearing sale. Skills shortages in western New South Wales affect local government, but this mob does not want to discuss what is going on in the shires—totally inadequate town planners and totally inadequate surveyors. But what have they said and what have they done? Absolutely nothing.

I will talk to the shires as a very proud former mayor. Look at that lot! What have they done to get an adequate supply of town planners to the shires? What have they done to get an adequate supply of surveyors to the shires? I have not even mentioned the health system, where it is recognised that because of the miserable failure of The Nationals we are short of skilled workers in every facet, whether it be doctors, nurses, anaesthetists or speech pathologists. The list goes on. We are short in every facet. Why are we short? Because of this lot over here. Where is the money for university places? People in western New South Wales are willing to be trained, but this lot has walked away from their responsibilities to stand up for their traditional constituency—regional and rural New South Wales—to talk about the skills shortages.

**Mr SPEAKER:** Order! The House understands that the honourable member for Murray-Darling likes to emphasise his point. However, the recent improvements to the audio system, which involved considerable expense, have improved the acoustics in the House remarkably. Bearing in mind possible occupational health and safety problems for my ears and those of the Hansard staff, who listen to speeches of members through headphones, I ask him to tone down his presentation.

**Mr PETER BLACK:** Mr Speaker, as a former colleague in the New South Wales Teachers Federation, of course I bow to your advice, but the problem is that the Opposition is completely deaf to the needs of rural and regional New South Wales. The Nationals are not listening to the people of rural and regional New South Wales, they are not listening to your advice and they are not connecting with their Federal colleagues who are equally to blame for inadequate funding.

**Mr SPEAKER:** Order! The Nationals may not be listening, but they cannot fail to hear the honourable member for Murray-Darling.

**Mr Andrew Stoner:** Point of order: My point of order is that the honourable member for Murray-Darling should be establishing the priority of his motion. Instead, in a rather loud and rambling discourse, he has attacked The Nationals, as usual. He is failing to establish the priority of his motion.

**Mr SPEAKER:** Order! While the Chair might agree that this discourse is loud, I do not necessarily agree with the second part of the point of order. However, I remind the honourable member for Murray-Darling of the reason he was given the call, which is to show why his motion should be afforded priority.

**Mr PETER BLACK:** I am saying it should be afforded priority for a great number of reasons, including the shortage of veterinarians in western New South Wales that the Leader of The Nationals should know about. I also ask in relation to the Leader of The Nationals: What has he done today? Once again he reminds me of the crossword puzzle that Sherlock Holmes was unable to solve—he is absolutely useless. He did not take the message to Canberra and did not convince his Federal colleagues. Up There Cazaly! Let us make places available at university level. What extra places did the Leader of The Nationals argue for in relation to the mining industry? What additional engineer will he train? [*Time expired.*]

### School Pedestrian Crossings Safety

**Mr ANDREW STONER** (Oxley—Leader of The Nationals) [3.41 p.m.]: My motion for urgent consideration should be given priority because too many people are dying on New South Wales roads due to the Carr-Iemma Labor Government's incompetence and maladministration. I agree with the honourable member for Murray-Darling that the Western Institute of TAFE deserves congratulations on its achievement, but the remainder of the motion foreshadowed by the honourable member for Murray-Darling is merely political game playing. The people of New South Wales want the real issues debated in this place—issues such as the appalling road toll in New South Wales, which is precisely what my motion relates to.

The Minister for Roads announced in last Sunday's papers a \$300 million so-called major New South Wales Road safety package for school zones, yet today we discovered that the Treasurer, the Hon. Michael Costa, has informed the Minister for Roads, the Hon. Eric Roozendaal, that the proposal "has not yet been costed", that "it will not be reflected in the upcoming State budget", and that "any funding deficit in any year to be met through a re-prioritisation of the RTA's capital program."

**Mr Peter Black:** Point of order: I took the time to demonstrate that my motion of which notice has been given is urgent, and why it should have priority. The Leader of The Nationals is arguing his case for flashing lights. He must establish priority.

**Mr SPEAKER:** Order! I remind the Leader of The Nationals of the reason he was given the call and ask him to return to the reasons his motion should have priority over the motion of which the honourable member for Murray-Darling has given notice.

**Mr ANDREW STONER:** I am merely trying to demonstrate that there was an announcement that will suck \$300 million from elsewhere in the roads capital works program. That is a matter of concern to the people of New South Wales. They want this matter debated. Where will that \$300 million come from? Will it come from country roads such as the Silver City Highway and the Cobb Highway? People are dying on roads in western New South Wales, such as the Newell Highway. That is why this matter should be debated.

**Mr SPEAKER:** Order! The honourable member for Murray-Darling will cease interjecting. I remind the Leader of The Nationals of the comments I made in relation to the volume at which the honourable member for Murray-Darling made his remarks. I suggest the Leader of The Nationals is now exceeding that volume.

**Mr ANDREW STONER:** I apologise, Mr Speaker. The interjections of the honourable member for Murray-Darling provoked me to raise my own volume. We have heard another announcement of spin rather than substance, with grave potential risk being posed to the roads budget. There has been a three-year hiatus between when the former Minister for Roads announced a trial of flashing lights for school zones, yet we have only just heard about some action. How many children have died in the intervening period?

**Mr Peter Black:** Point of order—

**Mr SPEAKER:** Order! The honourable member for Murray-Darling will resume his seat. I will hear further from the Leader of The Nationals.

**Mr ANDREW STONER:** My motion for urgent consideration should be given priority for debate because the Roads and Traffic Authority's own figures show that during the past five years, 11 children aged between 5 and 16 years were killed and 1,184 were injured. That is why the motion of which I have given notice should be given priority. Yesterday we heard from the Minister for Roads about a so-called pedestrian crossing audit. All the Minister has done is come up with a list of crossings over four-lane highways and roads in Sydney, but he gave no indication of priority or which crossings are the most dangerous.

Over a three-year timeframe, the only thing we know about which crossings might be upgraded is that there will be a delay of at least 12 months. Once again I ask how many more children will have to die on school crossings before the Government takes action? That is why people want the motion I have foreshadowed today. I point out for the information of the honourable member for Murray-Darling that some of the priority crossings are in the bush. They are on country highways. Today the Uralla Shire Council was unable to understand why one of the crossings was on the Minister's list because the crossing did not traverse a four-lane road. Clearly the list of the Minister for Roads is flawed. It is not an action plan. It is not a package in any way whatsoever.

For those reasons, in this State we need action to be taken in relation to saving lives through improved road safety. The honourable member for Coffs Harbour has pointed out what has happened in relation to the Pacific Highway as a result of this Government's inaction. We have heard that \$300 million is coming out of the roads budget, and it is not new money. It will come out of the roads budget, so what will happen to the Pacific Highway, the New England Highway and the Oxley Highway?

**Mr Russell Turner:** What about the Great Western Highway?

**Mr ANDREW STONER:** What will happen in relation to the Great Western Highway? There are too many people dying, and that is why this matter should be given urgent consideration today. The road safety 2010 target was a promise by this Government that 2000 lives would be saved by 2010. That will not happen because funding has been taken out of the roads budget. [*Time expired.*]

**Question—That the motion for urgent consideration moved by the honourable member for Murray-Darling be proceeded with—put.**

**The House divided.**

**Ayes, 50**

Ms Allan	Mr Gibson	Mrs Paluzzano
Mr Amery	Mr Greene	Mr Pearce
Ms Andrews	Ms Hay	Mrs Perry
Ms Beamer	Mr Hickey	Mr Price
Mr Black	Mr Hunter	Ms Saliba
Mr Brown	Ms Judge	Mr Sartor
Miss Burton	Ms Keneally	Mr Shearan
Mr Campbell	Mr Lynch	Mr Stewart
Mr Chaytor	Mr McBride	Ms Tebbutt
Mr Collier	Mr McLeay	Mr Tripodi
Mr Corrigan	Ms Meagher	Mr Watkins
Mr Crittenden	Ms Megarrity	Mr West
Mr Daley	Mr Mills	Mr Whan
Ms D'Amore	Mr Morris	Mr Yeadon
Mr Debus	Mr Newell	<i>Tellers,</i>
Ms Gadiel	Ms Nori	Mr Ashton
Mr Gaudry	Mr Orkopoulos	Mr Martin

**Noes, 36**

Mr Aplin	Mrs Hopwood	Ms Seaton
Mr Armstrong	Mr Humpherson	Mrs Skinner
Mr Barr	Mr Kerr	Mr Slack-Smith
Ms Berejiklian	Mr McTaggart	Mr Souris
Mr Cansdell	Mr Merton	Mr Stoner
Mr Constance	Ms Moore	Mr Tink
Mr Debnam	Mr Oakeshott	Mr Torbay
Mr Draper	Mr O'Farrell	Mr J. H. Turner
Mrs Fardell	Mr Page	
Mr Fraser	Mr Piccoli	
Mrs Hancock	Mr Pringle	<i>Tellers,</i>
Mr Hazzard	Mr Richardson	Mr Maguire
Ms Hodgkinson	Mr Roberts	Mr R. W. Turner

**Pair**

Ms Burney

Mr Hartcher

**Question resolved in the affirmative.****SKILLS SHORTAGES****Urgent Motion****Mr PETER BLACK** (Murray-Darling) [3.54 p.m.]: I move:

That this House:

- (1) congratulates the Western Institute of TAFE on its outstanding success in the recent WorldSkills competition;
- (2) again condemns The Nationals for failing to stand up for New South Wales against the Commonwealth's failure to address skills shortages; and
- (3) notes the devastating effect that The Nationals' inaction has on the families in rural and regional New South Wales.

There is absolutely no doubt that the greatest skills shortage in this Chamber is in The Nationals, the canine faction. In particular, it has failed to stand up for the mining industry. I realise, of course, that some members opposite know something about what I am going to speak on. I acknowledge in particular the honourable member for Orange, in whose electorate there are a few mines. In Broken Hill we have reached the stage—

**Mr Richard Torbay:** A great town.

**Mr PETER BLACK:** Yes, indeed, it is a great town, as the former chairman of the Country Mayors Association, the honourable member for Northern Tablelands, has told us. At Perilya Limited the recruits include two Papua New Guinean electricians, one Zimbabwean mining engineer, two South Africans—one a surveyor and the other a mining engineer, one Canadian mining engineer, and one Irish mining engineer. Why has that come about? The answer, which I have gained from information supplied to me in the past few days from the Australasian Institute of Mining and Metallurgy [AusIMM], of which I am a proud member with the registration 10-29-11, is very simple. Australia's General Skilled Migration Program is designed to attract people who are required in Australia because they have skills in particular occupations.

The occupations, which are listed on the Australian skilled occupation list, include mining production managers, chemical engineers, mining engineers, extractive metallurgists, geologists, geophysicists, and physical metallurgists. As the recruits are not currently assessed by a professional association, they are not eligible for the migration occupations in demand list [MODL]. As at March 2006 the MODL includes chemical engineers and mining engineers, and lists also a number of associated trades. In 2004-05 75 skilled migration visas were granted across those professions, an increase from 48 in the previous year. Specifically, last year five extractive metallurgists were granted visas, compared with two the year before. Last year this great nation that used to train geologists at the W. S. and L. B. Robinson College at Broken Hill imported 23 geologists, compared with 13 the previous year.

Last year Australia granted visas to 13 geophysicists, compared with five the year before. Last year we imported 26 mining engineers, excluding petroleum, compared with 18 the year before. Last year we imported 1 physical metallurgist, compared with 8 the year before. Last year we imported 7 mining production managers, compared with 2 the year before. Those figures are legitimate. I repeat that they are supplied by the Australasian Institute of Mining and Metallurgy [AusIMM], of which I am a proud member. In 2005 a survey of members of the institute was carried out by the University of Queensland on behalf of the institute and Macquarie Securities. I will quote from the key findings of the survey before moving to matters not pertaining to the mining industry. The survey has been ignored in the current Federal budget. The survey states:

Skill shortages are the single most important factor impacting on current operational profitability identified as an issue by 68% of respondents.

So 68 per cent of respondents identified skills shortages as the most important factor impacting on current operational profitability of our mining industry in the much talked about mining boom. More than half, 53 per cent, agreed that companies now have people performing in more senior roles without sufficient professional experience. The survey continued:

91% of respondents agreed that insufficient investment in exploration is the biggest obstacle to the long term future of the industry.

The Federal Government and The Nationals federally know that. The survey went on to state:

The key short term constraints to future growth identified were: shortage of construction workers ...

At Cobar, for example, we have a Queensland building company because no building companies could be found at Broken Hill or Dubbo to contract to build staff accommodation for the CSA mine. The survey continued:

High workforce turnover remains a major concern for the minerals industry. Substantial numbers of respondents agreed that, in the next two years, they were likely to move from their current workplace (55%) or change employer (39%).

It is an unhappy industry at a professional level. That unhappiness is caused by Australia's failure to address the shortages that have arisen in the mining industry since the closure of W. S. and L. B. Robinson College in Broken Hill. The survey then stated:

Respondents overwhelmingly agreed that the most critical issue likely to impact on the overall profitability of the industry was the lack of skilled professionals ...

- 73% of respondents agreed that skills shortages affected their workplace.
- 75% agreed that skills shortages have left their company short staffed.
- 77% agreed that people at their workplace are under more pressure because of skills shortages.
- 59% agreed that people were performing in more senior roles without sufficient professional experience.
- 65% agreed the skills shortage will not reduce in the coming 2-3 years.

That is the lead-time required to train university graduates. The survey went on to state:

The AusIMM membership has the profile of an ageing workforce, with 52% of respondents aged 45+.

- Women represented just 9% of the sample.

There is a simple solution for our ageing work force. We have to import people from overseas to make up for those in AusIMM who are getting older; we are not being backfilled with sufficient new graduates. The survey also stated:

1. Companies are being left short staffed and this places current workers under increasing pressure.

I know that I cannot use props in the Chamber but I want to refer to a graph attached to this report that shows 250 earth science undergraduate graduations in 2000. That number was down to fewer than 100 in 2005. The graph for earth science postgraduate graduations shows a similar dramatic decline. In the field of mining engineering, something about which I am fairly passionate, the graph shows a decline to almost no postgraduates. In the bush there are tertiary-related skills shortages. There are 2,875 veterinarians who are registered and who practice in New South Wales, yet three positions in our pastures protection boards cannot be filled.

For years we have had difficulty filling a position in Condobolin. I am sure the honourable member for Orange, who is nodding his head, would concur with that statement. Approximately 140 veterinarians graduate from New South Wales universities every year and some will graduate from Charles Sturt University in the not-too-distant future. However, they seem to prefer to go to the North Shore to play with fuzzy round balls rather than go out west where they might have to put their arm up the backside of a cow. It is a simple fact of life that we do not have the hard old veterinarians of yesteryear who are prepared to do the jobs for pastures protection boards that some people might find unsavoury.

I refer next to skills shortages in local government. The interim report of the Allan inquiry into the sustainability of New South Wales local government, which has just been released, has been totally ignored by the Federal Government. That report highlights that a significant problem in all councils is the shortage of professional skills, especially in planning, engineering and accounting. I do not need to go very far when talking about planners out west. We have only one for all the shires in Wentworth. This problem is most acute in the planning and building surveying professions. Finally, I refer to the great winners from the Western Institute of TAFE: Mark Williams, Katrina Gotz, John Rudge, Scott Halls and Todd Grace got gold and Ryan Dwyer, Gavin Press, Brendon Clare and Todd Kemp got silver because they were trained by our college. The Dubbo college has not yet commenced.

**Mr DONALD PAGE** (Ballina—Deputy Leader of The Nationals) [4.04 p.m.]: The Opposition cannot possibly support the motion in its current form and proposes an amendment to it. The Opposition supports the first part of the motion but seeks to amend paragraphs (2) and (3) in a genuine effort to try to ensure that something is done about skills shortages in New South Wales and, indeed, the whole of Australia. I move:

That the motion be amended by leaving out paragraphs (2) and (3) with a view to inserting instead:

- "(2) calls on the Government to introduce school-based apprenticeships at certificate III and IV levels in New South Wales as occurs in other States; and
- (3) calls on the Government to co-operate with the Federal Government to enable Australian technical colleges to be established in New South Wales."

Skills shortages are, arguably, one of the biggest public policy issues confronting this State. The honourable member for Murray-Darling referred in his contribution to a series of industries and professions in which there are serious skills shortages. I do not argue with the facts he read out relating to these shortages, but the skills shortage in this State is an indictment of the Government. It has had 11 years to address the issue, but it continues to drag the chain in comparison with other States. Even today, it is not possible in New South Wales to undertake school-based apprenticeships at certificate III and IV levels in our school system. Such apprenticeships are available in other States. In fact, they have been available in Queensland for about eight years. There is a major impediment in New South Wales and the Government must address it.

The Council on Australian Governments [COAG] agreement signed by the Premier last February clearly indicated that all governments, including the New South Wales Government, agreed that the legislative, regulatory and educational barriers to school-based apprenticeships would be removed from all jurisdictions by the end of this year to promote a more flexible and responsive training system. COAG also agreed that by the end of this year industrial barriers would be removed, in collaboration with industry, for school-based apprenticeships in metals and engineering, automotive, building and construction, electro-technology and commercial cookery. New South Wales was a signatory to that agreement.

As recently as two days ago the Premier announced that the Government would establish 10 so-called trade schools, the first to be located at Colyton. As best we can ascertain, those new trade schools do not remove the current impediment in school-based apprenticeships at certificate III and IV levels. The Government tells us that it intends to do something but it is not removing one of the most important impediments identified by COAG, an impediment that the Government agreed to remove by the end of this year.

The honourable member for Murray-Darling is keen to attack The Nationals but the Premier's announcement of three days ago did not earmark a single trade school for a regional area. All the trade schools will be located in Sydney, and mostly in Western Sydney. If the Government is fair dinkum about addressing skills shortages in rural areas it must establish trade schools in the regions near employment markets. The fact that the Government does not plan to locate any trade schools in regional New South Wales is a shocking indictment of the honourable member for Murray-Darling, a member of Country Labor. Instead of bagging The Nationals, he would do better to have a quiet talk with the Premier and the Minister for Education and Training

about establishing some trade schools—even though they are inadequate because they do not have the capacity to offer school-based apprenticeships at certificate levels III and IV—in country areas. The upper House inquiry into skills shortages in regional New South Wales clearly identified that it is a serious problem. The New South Wales Government could do a lot more to address skills shortages.

We also have a serious problem with TAFE in this State. Approximately 500,000 students enrol in TAFE courses each year but less than 50 per cent of those students complete their courses. That means the wastage rate in our TAFE system is more than 50 per cent. The Government should turn its mind to that issue. There are several possible solutions to that problem. I do not have time to explore them all now but I must point out that the situation is exacerbated by the Government's increase in TAFE fees. I have received an email from an understandably angry father, Chris Lake, who writes:

I have a son at an independent school in year 11 who also attends the local TAFE. The charge for this vocational skill is \$2400.

That is how much the course costs. He continues:

I have contacted my local member Matt Brown and he has forwarded this request to the minister for education but nothing has happened.

Could you please consider how many people in your electorate are affected by this cost recovery policy? The Charge of \$2400 is significant to me and one that I feel is an unconscionable impost.

The state Government is today championing the need for vocational education in 10 schools in Sydney while imposing Draconian charges on the families of students attending independent schools.

The email has a three-page attachment, the essence of which is that that year 11 student at a Nowra independent school must pay a TAFE course fee of \$2,900. However, he receives a \$400 subsidy from the Federal Government through the Association of Independent Schools, which leaves the father to pay the remaining \$2,500 for his son to do the course. Is it any wonder that people are reluctant to enrol in TAFE courses when they are asked to pay \$2,500 for the privilege? If the Government were fair dinkum it would do something to decrease TAFE fees and address the wastage rate in the TAFE system. It would also offer school-based apprenticeships at certificate levels III and IV.

The New South Wales Government has a great opportunity to work with the Federal Government in establishing Australian technical colleges. It pains me to see the politics that were played in the Chamber yesterday and on previous occasions regarding this initiative. The States' failure in technical education has forced the Federal Government to become more involved in this sector. The Federal Government does not particularly want to be involved but it feels that it must. Labor has had the reins in New South Wales for a long time but it has not done the job. The Federal Government will commit \$343.6 million by the end of 2009 to establish 24 colleges across Australia. Eight of those colleges will be located in New South Wales. Unfortunately, only one of them is up and running.

The other colleges have problems for two reasons. The first reason is that the New South Government has great difficulty with governance. The Federal Government is insisting that local communities have the major say on the boards of the Australian technical colleges. However, the Department of Education and Training continues to insist in its submissions that it should have the major say. The Federal Government has said quite clearly that it wants the colleges to have a close relationship with local industry. Industry representatives should have the dominant governance role rather than officers of the Department of Education and Training. Second, staff of the Australian technical colleges must at least be offered Australian workplace agreements [AWAs]. They do not have to accept them, but they must be offered. The New South Wales Government continues to bury its head in the industrial sand and say that it will not allow employees to be offered AWAs, in full knowledge that by doing so it is disadvantaging the young people of New South Wales compared with their peers in other States. Shame on you!

**Mr DAVID CAMPBELL** (Keira—Minister for Water Utilities, Minister for Small Business, Minister for Regional Development, and Minister for the Illawarra) [4.14 p.m.]: I support the motion moved by the honourable member for Murray-Darling because future economic growth in New South Wales is dependent upon having a skilled work force. Our country businesses drive our State's economic growth and they urgently require workers to meet growing needs. Once again the Federal Government is ignoring regional New South Wales, particularly when it comes to training. Country towns are well aware that The Nationals are failing them yet again. It is no wonder that The Nationals are fast becoming irrelevant—and everyone knows it.

Yesterday the honourable member for Ballina was quick to try to play down the Iemma Government's hard work in addressing skills shortages. But does he or his party have a plan to fix this problem? Have his

Federal Coalition partners delivered on their promises to build Australian technical colleges? So far we have only four of the 25 that were promised, and those colleges have fewer than 100 enrolments. Is that a measure of success? Clearly, the answer is no. That is why the honourable member for Ballina is embarrassed—and so he should be. He is getting no help from the Leader of the Opposition, who thinks about skills shortages only when he reflects upon the depth of talent on his own front bench.

While the Coalition flounders, the New South Wales Government is hard at work making sure that we maintain our international reputation for having a highly skilled work force. We are making sure that our practical programs attract investment and skills to Sydney and regional areas so that business can continue to thrive. We are investing in the future of our State. Since 2002 we have supported more than 50 projects to address skills shortages, many of them in regional communities. I am sure that honourable members were delighted to hear that we have added a new direction to our plans to encourage and grow our skills base. Our \$18 million plan will create 10 new trade schools with school-based apprenticeships and traineeships for Higher School Certificate students. This will ensure that we have more carpenters, chefs, automotive technicians, sheet metal and aged care workers ready for work more quickly.

While the Federal Government cannot equip our students with the skills they need to fill growing businesses, we have taken action. I am delighted to see in today's edition of the *Coffs Harbour Advocate* recognition of the New South Wales Government's assistance in helping to train local young school leavers. I imagine that the Leader of The Nationals could probably brief the honourable member for Ballina about the New South Wales Government's support for and encouragement of Nambucca business and skills growth. The new training package for the Nambucca region will provide skilled workers for the Nambucca vehicle building cluster. The cluster, which is going from strength to strength, has been strongly supported by the New South Wales Government. It is an outstanding example of what can be achieved when a community works with the New South Wales Government. Today Nambucca is well and truly open for business. Last November it featured in the third New South Wales Government Building Regional Towns investment tour. It is growing so fast it needs Sydney-based investors to build much-needed housing.

The Government is tackling skills shortages on a number of fronts. Last November it launched the New South Wales Drive for Talent Program, which is aimed at regional New South Wales and Sydney. The Iemma Government is using this program to target migrants with skills in finance, pharmaceutical, and information communication technology. As part of this program it has participated in skills expos in Hong Kong and the Philippines. I am delighted to say that representatives from the Riverina and Murray regions also took part in those events.

The Government is working with its regional development boards and country organisations to encourage overseas migrants to move here. It is working with the Orange, Cabonne, Blayney Industry Skills Network to increase apprenticeships in mining, manufacturing and engineering trades. I am pleased that the honourable member for Orange is in the Chamber because he certainly knows it is a great project that is well supported by the Government. As part of Securing our Skilled Work Force plan, the Iemma Government has invested \$7 million in extra funding for apprenticeships and training. It is providing practical assistance to those most vital to growing its skills base—its 5,000 apprentices in regional areas.

In addition, 25,500 first and second year apprentices will be eligible for a \$100 rebate on their car registration. On top of that the Government is making 5,600 TAFE places available over the next four years. From 1 July this year businesses investing in areas with higher than average unemployment will be eligible for payroll tax exemptions worth up to \$144,000 a year for three years. The Iemma Government exempts apprentices and trainees from payroll tax and has lifted the tax-free threshold from \$550,000 to \$600,000. It has provided an extra \$2 million for a new 12-month pilot scheme called TradeStart.

**Mr Russell Turner:** What about workers compensation?

**Mr DAVID CAMPBELL:** The honourable member for Orange said, "What about workers compensation?" The facts are the Government has reduced workers compensation by 15 per cent—for all employees.

**Mr BRAD HAZZARD** (Wakehurst) [4.19 p.m.]: First of all I express my concern that after 11 years of Labor this State has a skills shortage which has largely been contributed to by the incompetence of the current Government. The Government has had nil innovation and nil flexibility with reactive, not proactive, policies. Whilst the TAFEs are generally doing as well as one could hope for within the framework of this Labor Government's incompetence, so much more could be done.

The honourable member for Orange as asked me to specifically name the students who received awards at the recent WorldSkills competition in Melbourne, one of whom is from the Orange area. Recipients of a gold medal were Scott Halls for fitting, Katrina Gotz for sign craft and John Rudge for electrical installation systems. Recipients of a silver medal were Brendyn Clare for bricklaying, Ryan Dwyer for web design, Gavin Press for electrical installation systems and Todd Kemp for electrical control systems. It was a great day for the Western Institute, Orange campus, and the Liberal Party and The Nationals congratulate the institute and the students on those results.

The utter incompetence of this Government is that it has failed to address the skills shortage to which it has largely contributed. After 11 years in office, whilst certain vocational training and veterinary courses are operating in the school system and the New South Wales TAFE system is doing as well as it can within the current structure, the fundamental problem is that this Government is one of only two in Australia—New South Wales and Western Australia—that has not done what is necessary to facilitate part-time apprenticeships operating within its school system.

It was a surprise to the Opposition—the Liberal Party and The Nationals—to see the Premier and the Minister for Education and Training touting their new 10 trade schools in Western Sydney. The Opposition is well aware of the Government's utter failure to remove the barriers that were required by the Council of Australian Governments [COAG] in order to develop the possibility of students being able to undertake courses and have them credited to their apprenticeships. On 11 May the Prime Minister wrote to the Premier and expressed his concerns about the failure of this Government to do what was required as a result of the February meeting of COAG. The Prime Minister finished his plea to the Premier by asking him to address the issue as a matter of priority so this State has the necessary national approach to training to ensure that our young people have the opportunity to proceed with apprenticeships that they should be entitled to undertake within a school environment or TAFE.

The Minister for the Illawarra decried the efforts of the Federal Government with Australian Technical Colleges but at least the Federal Government is trying to do something. The Labor Government in New South Wales has done so little that even teachers are fed up with it. Recently *Education*, the magazine of the Teachers Federation, highlighted how frustrated teachers in the TAFE system and schools have become. Under the headline "Tebbutt fails students and teachers" the article stated:

During her short time in office, the State Education Minister, Carmel Tebbutt, has acted almost exclusively on the advice of Department of Education and Training officials. The Director General, and some of his senior bureaucrats, have no qualifications in education and no teaching experience. Nevertheless, the Minister prefers their advice to that of teachers. The result has been the introduction of unsound and dangerous education policies as well as the introduction of legislation into Parliament which potentially exposes teachers to victimisation.

The article highlighted a number of issues indicating that the Minister has utterly failed teachers and students. That is another example of the incompetence of this State Labor Government, this Minister, and unfortunately also the Premier. We need to make sure that our students get an opportunity to be enrolled in an apprenticeship course while at school so they can contribute to growing our skills base in New South Wales.

**Mr NEVILLE NEWELL** (Tweed—Parliamentary Secretary) [4.24 p.m.]: The most pressing issue confronting employers is the capacity to find the skilled workers they need. The consequences are felt in the construction, manufacturing, and building industries. They are felt in our hospitals and aged care facilities, with underinvestment in university places for our nurses. It manifests itself in higher costs and bringing in a work force from overseas. Now that may enable employers to get by in the short term, but nothing beats investing in our own people. The education of our children and young people should be a top priority for all governments and all political parties.

Country Labor has worked tirelessly to focus the attention of the State Government on rural training needs. I am proud of the strong and vibrant public schools and TAFE colleges that stretch across rural New South Wales. People can rest assured that Country Labor will continue to stand up for rural and regional communities, unlike The Nationals, and will lobby the Minister for Education and Training for our fair share of the new direction in New South Wales education—our trade schools. As the Premier said on Monday, trade schools are a partnership between our schools and industry to tackle one of the nation's most pressing challenges, that is, the shortage of skills in key industries, such as the construction industry, the manufacturing industry, aged care, health and hospitality industries.

[Interruption]

The honourable member for Ballina acknowledges that this is not only a New South Wales problem but an Australiawide problem. The Premier also confirmed that the Government will look to place trade schools in regional locations—are members opposite listening—near hubs of employment, and tailor schools obviously around the needs of not only students but also industry. So the Government is deliberately looking for regional and rural locations. Premier Iemma's new direction for addressing the skills issue is in direct contrast with the bungled approach of the Federal Government to its Australian Technical Colleges.

The Federal members representing the electorates of Parkes, Eden-Monaro and Page have once again failed to deliver for families and students in Dubbo, Queanbeyan and Ballina, all of which were promised colleges, and all were treated shabbily by the Liberal Coalition masters. Not only have those large regional centres, and the surrounding smaller districts they sustain, been duded by the Federal Government, but they have been deserted by The Nationals in New South Wales. As the *Northern Star* reported on 26 April this year, the Federal Minister for Vocational and Technical Education, Gary Hardgrave, announced that the Federal Government is "threatening to break its much trumpeted election promise to build a technical college for Ballina", claiming Ballina just was not up to the task. The *Northern Star* quoted Mr Hardgrave as saying:

In the areas where the communities haven't taken ownership of it, I am going to have to look at taking them off them and giving them to other regions.

The Minister goes on to say:

There were several other regions—there's a couple in Queensland, some in South Australia and Victoria and at least one other in WA—that expressed interest.

Once again the Howard Government is ripping off New South Wales and the New South Wales Opposition is sitting on its hands and watching that happen. As usual, the North Coast is being mucked around by The Nationals, both Federally and by the State member, who refuses to stand up for that region. Ian Causley tried to shift the blame onto the State Government. Mr Causley obviously did not hear what Gary Hardgrave had to say because nowhere in his statement to the *Northern Star* did he scorn anyone but the community of Ballina.

In this place the State member for Ballina holds pretty much every position of responsibility on this issue. For people who may not be aware, he is Deputy Leader of The Nationals, shadow Minister for Skills Development and Training, shadow Minister for State Development, shadow Minister for Regional Development, and shadow Minister for North Coast. The poor old member for Ballina does not know which of his two left feet to put in the stirrup. He realises he has been shafted and he is back-peddalling as fast as he can.

**Mr Donald Page:** Point of order: The member for Tweed might like to tell us how many trade schools are in country areas and how many are in his electorate.

**Mr ACTING-SPEAKER (Mr Paul Lynch):** Order! There is no point of order. The honourable member for Ballina will resume his seat.

**Mr NEVILLE NEWELL:** The honourable member for Ballina was reported in the *Northern Star* of 28 April as saying:

The bid from Ballina High and North Coast TAFE was excellent.

I do not disagree with him. But Gary Hardgrave did not think so. He is actively blaming the community for this debacle, and both Don Page and Ian Causley ought to hang their heads in shame. The Iemma Government is stepping up to the mark and setting this new direction because relying on importing the skilled work force is not a long-term solution. The people of country New South Wales can depend on the Iemma Government, and they can depend on Country Labor but they cannot rely on either the Commonwealth or what is left of the once-proud National Party to look after the future of our children and our communities. [*Time expired.*]

**Mr PETER BLACK** (Murray-Darling) [4.29 p.m.], in reply: I thank the honourable member for Ballina, the Minister for the Illawarra, the honourable member for Wakehurst and of course the honourable member for Tweed for participating in the debate. I ought to acknowledge the source of my information on skills shortages in the mining industry: Kevin Tuckwell, of the Minerals Council, who was one of my former university lecturers years ago, and Don Larkin, the chief executive officer of the Australasian Institute of Mining and Metallurgy.

I will deal first with some of the comments made by the honourable member for Ballina. Before I come to his queries about trade skills, I can report that the TAFE graduation, which was referred to in the debate today, in the Western Institute at Dubbo Civic Centre was packed—absolutely to full capacity. Mr John Cobb,

the Federal member, was invited. Did he attend? No. Was he in Dubbo? Yes. Where was he? At a fundraising event for The Nationals, at \$234 per head, the guest speaker being Fran Bailey, the Federal Minister for Small Business and Tourism. My question to The Nationals is: What is more important—skills shortages or The Nationals? In response to the honourable member for Ballina—who is, in many ways, cognisant of the fact that we are desperately short of graduates in Australia, a fact he has acutely avoided in his contribution this afternoon—I quote this letter from Barry Toole:

I am writing to inform you that the WorldSkills Competition team from Western Institute TAFE has achieved another extraordinary result winning nine medals at the recent WorldSkills National Competition in Melbourne.

The 18-strong team from our region brought home **five gold and four silver medals**, proving that the students and teachers in the Western Institute are amongst the **very best in the country**...

In my earlier contribution I listed the team members' names, as the honourable member for Wakehurst did for the Orange team:

Not only did half of the Western Institute TAFE contingent return with a medal but they also competed as part of the NSW team, which amassed 43 medals, leading the result tally for Australia. Our team won nearly one-quarter of these medals. I believe this is the third consecutive national competition at which we have led the medal tally for the State.

We are very proud of the achievements of all our students, but we have particular cause to be proud of those who have competed at a national level.

Barry Toole went on to say—and these words should be enshrined in the minds of The Nationals:

A great result for the Western Institute TAFE.

Just imagine what we could achieve if we had access to the funds wasted on the Australian TAFE College proposal.

Please join us in asking Mr John Cobb, Federal Member for Parkes, to support our request that the funds set aside for the Dubbo Australian College be redirected to the Western Institute of TAFE.

I ask the honourable member for Ballina to remember those words. That money can be used for our TAFE, which is doing a very good job indeed. I suspect that we do not really need those Federal colleges. As was said earlier in debate, only four of the planned 25 colleges are working in any case.

I move on to the contribution by the honourable member for Wakehurst, a former science teacher, a great profession. The honourable member might let me know when he left teaching and came to this Parliament because he spoke about TAFE courses or apprenticeship courses at schools. I well remember the days when the Coalition mantra was retention, and the change from our kids going to technical colleges from year 10. Then, for reasons that I have never understood, particularly as a science teacher, we went down the pathway of retention to year 12. Dr Terry Metherell was one of the worst in promulgating that particular theory. I never understood it. There is nothing wrong with vocational education. It is what we should be addressing today, and it is what we have in part addressed today. But the biggest single thing we need to address is the failure of the Federal Nationals to deliver dollars for our university to train people in skills areas in the bush. [*Time expired.*]

**Question—That the words stand—put.**

**The House divided.**

**Ayes, 52**

Ms Allan	Mr Gaudry	Mrs Paluzzano
Mr Amery	Mr Gibson	Mr Pearce
Ms Andrews	Mr Greene	Mrs Perry
Mr Barr	Ms Hay	Mr Price
Ms Beamer	Mr Hickey	Ms Saliba
Mr Black	Mr Hunter	Mr Sartor
Mr Brown	Ms Judge	Mr Scully
Miss Burton	Ms Keneally	Mr Shearan
Mr Campbell	Mr Lynch	Mr Stewart
Mr Chaytor	Mr McBride	Mr Tripodi
Mr Collier	Mr McLeay	Mr Watkins
Mr Corrigan	Ms Meagher	Mr West
Mr Crittenden	Ms Megarrity	Mr Whan
Mr Daley	Mr Mills	Mr Yeadon
Ms D'Amore	Mr Morris	
Mr Debus	Mr Newell	<i>Tellers,</i>
Mrs Fardell	Ms Nori	Mr Ashton
Ms Gadiel	Mr Orkopoulos	Mr Martin

**Noes, 29**

Mr Aplin	Mrs Hopwood	Ms Seaton
Mr Armstrong	Mr Humpherson	Mrs Skinner
Ms Berejikian	Mr Kerr	Mr Slack-Smith
Mr Cansdell	Mr Merton	Mr Stoner
Mr Constance	Ms Moore	Mr Tink
Mr Draper	Mr Oakeshott	Mr Torbay
Mr Fraser	Mr Page	Mr J. H. Turner
Mrs Hancock	Mr Pringle	<i>Tellers,</i>
Mr Hazzard	Mr Richardson	Mr Maguire
Ms Hodgkinson	Mr Roberts	Mr R. W. Turner

**Pair**

Ms Burney

Mr Hartcher

**Question resolved in the affirmative.****Amendment negatived.****Motion agreed to.****INTEGRATED PUBLIC TRANSPORT FOR SUSTAINABLE CITIES****Matter of Public Importance**

**Ms CLOVER MOORE** (Bligh) [4.47 p.m.]: I ask that the House note as a matter of public importance that Sydney needs a planned, sustainable, integrated transport system that provides for public transport as well as for the needs of pedestrians, cyclists and motorists. Our governments, State and Federal, must focus on the problems now to find future solutions. Most importantly, this involves an integrated transport blueprint with a single State transport authority to co-ordinate services. The Federal Government's "Sustainable Cities" House of Representatives report, tabled in September 2005, shows the way forward for our cities in key areas, including planning, building design, energy, water and, importantly, transport. The report, which received bipartisan political support, stressed the critical role that an accessible and sustainable transport system plays in maintaining Sydney's economic, social, and environmental security.

The report stated that transport in our cities should enable a web of travel directions and nodal hubs of work, industrial, residential and recreational connections, and that such a web can be achieved only if alternative means of transport, such as train, tram, pedestrian and cycling are well serviced. The report identified light rail as an overlooked mode of transport, despite both its health and economic benefits. The report recommends that the Federal Government boost funding for public transport systems, particularly heavy and light rail, and include public transport in the Roads to Recovery Program.

This report is particularly welcome as the Federal Government, with the exception of the Whitlam years and Brian Howe's Better Cities Program, has not been involved in the development of Australia's major cities, which is where the majority of Australians live. The repeated catchcry of governments in the 1980s was that governments should not be in the business of this and governments should not be in the business of that. Unfortunately, this attitude has caught on and governments now are not in the business of much at all beyond day-to-day administration and short-term election-to-election governance.

When it comes to transport, both the State and Federal governments' priority has been with roads in marginal non-urban electorates in Australia. The need to secure our cities' future growth has been overlooked to the detriment of our nation's future. Despite the recommendations of the Federal Government's own report and its much-trumpeted surplus, the Federal Government failed to invest in infrastructure in our cities in its recent budget. While the budget recognised the need to invest in rail corridors and road infrastructure between capital cities, there was still a heavy bias towards road transport, and the budget made no attempt to address congestion issues within cities.

In Sydney, investment in toll roads has taken precedence over public transport. Despite urban consolidation policies, public transport infrastructure has been allowed to decay. "Just add more buses" is the

State Government's response to Sydney's increased demand in public transport, and the Government is failing to provide a long-term solution. The State Government's long-awaited Metropolitan Strategy was released without the critical transport infrastructure. Meanwhile, Sydney's transport systems are at capacity with road congestion in the CBD reaching crisis point. Hundreds of buses travel slowly, nose to tail, in long queues between Central and Circular Quay. With a predicted 20 per cent increase in population and employment in inner Sydney by 2021, and Sydney's current reliance on private transport, failure to act will mean much more than just angry commuters.

Freighting goods across Sydney is also an issue, particularly with the shift from Sydney Harbour to Botany Bay, Port Kembla and Newcastle. The shift was not accompanied by a new freight transport network, resulting in the dumping of more truck movements on the existing road system. Major developments, such as Darling Harbour East, have been announced, without accompanying transport infrastructure. Plans for Redfern-Waterloo are estimated to bring 20,000 residents and workers into that area, while again relying on existing road and rail infrastructure. At the same time, existing railway land is to be sold for development, even though it may be required for future transport purposes. Green Square is another urban renewal scheme that is estimated to add 30,000 people to South Sydney area when it is completed. Its only access to mass transit is one private station, which is up for sale, and it has a line and fare structure that is not integrated with the metropolitan system.

Sydney is the nation's global city and it drives the economy with over 350,000 people working in the city. It generates \$63 billion in economic activity. If we fail to address Sydney's transport problems, congestion and travel times will increase, and Sydney will lose investment, jobs and economic growth. Governments must provide world-class infrastructure for our world-class city, to avoid risking the loss of Sydney's standing as one of the world's most liveable cities and losing international business and workers. An integrated traffic and transport blueprint that co-ordinates all modes of transport services is critical for the secure future of greater Sydney. There should be one authority charged with co-ordinating all transport, including roads, as part of a planned and well-integrated transport network.

A blueprint is not costly and would guide both public and private projects and investment. It could be a tool for co-ordinating everything from ordered planning to fare structures. The State Government should be setting the agenda in the public interest, rather than allowing private sector profit to determine which infrastructure projects go ahead. Currently State Government agencies work independently, sometimes at cross-purposes and with competing priorities that are anathema to co-ordinated traffic and transport management. The clear lesson from other cities is that co-ordination of transport agencies is essential. London, or even Perth, are good examples. Co-ordination will promote integrated ticketing, which has been shown to make a huge difference.

Sydney urgently needs investment in a more effective and sustainable public transport network. Light rail for the CBD and inner suburbs is a viable solution that is supported by transport planning experts, environment groups, local councils and the residents and the business community, and there should be funding assistance from the Commonwealth Government. Light rail moves high volumes of people; the capacity of one carriage is equivalent to three laden buses or 50 laden cars. It is also quieter, faster and cleaner than buses or cars, and it has obvious environmental benefits of reducing road congestion, traffic volumes, and noise and air pollution. With less congestion and traffic volume, the city would have room for wider footpaths, street trees and pavement cafes, and that would encourage pedestrian and retail activity.

Light rail expert Gary Glazebrook calculates that, in contrast to buses in the city, light rail will lead to long-term savings in operating costs. In his proposal prepared for the Council of the City of Sydney, he recommends a light rail network of five major lines emanating from the CBD to surrounding residential areas of high population, and that it should be co-ordinated with heavy rail and buses in outer suburbs. He identifies a total cost that is only marginally greater than the Cross City Tunnel, with annual investment being less than a third of the tunnel investment amount, but delivering a much greater public benefit. His report reviewed 49 reports that have been commissioned by Government and analysed mass transport services in over 100 other world cities whose population or situation is comparable to Sydney. In the United Kingdom, Europe and even in the United State of America, the home of the motor car, hundreds of cities have been reinvigorated and transformed through modern light rail and similar mass transit systems. If it works for other cities facing similar issues, it can work for Sydney too.

The State Government also needs to develop a freight movement and storage plan for the Sydney Metropolitan Area, accelerate new heavy rail links to north-west and south-west Sydney, with new heavy rail stations in the CBD, and should introduce very fast train services from the Central Coast, the Illawarra,

Newcastle and the Blue Mountains. In February 2006 the Conference of Capital City lord mayors called on the Federal Government to adopt the Sustainable Cities recommendations and to begin becoming involved in our cities. We have established a secretariat in Canberra specifically to lobby the Federal Government, and transport is our top priority. As Lord Mayor of Sydney, I am ensuring that the council is prepared to do its bit to make light rail work. The council's budget includes \$13.5 million for funding for public domain improvements for a city light rail corridor. It also includes \$7.5 million to implement a new bicycle strategy and \$8.5 million to prepare and implement a pedestrian action plan.

It is time to commit to a new mass transit system in inner Sydney. It is in our best interests to improve and maintain Sydney as the central business district as it is Australia's only global city. A recent survey by the group 10,000 Friends of Greater Sydney found that four out of five Sydney residents believed that Government debt was a viable option for investment in long-term public transport. With the highest concentration of jobs, population and tourist attractions in the nation, both the Federal and State governments must commit to Sydney's transport needs. The Federal Government's Sustainable Cities report provides the vehicle for the Federal Government to provide this funding.

At the State, local and Federal levels we urgently need to co-ordinate a plan to ease Sydney's transport woes and provide for our transport needs into the future. As the Lord Mayor of Sydney, I am committed to lobbying the Federal Government with other lord mayors throughout Australia for action, and to working with the New South Wales State Government to improve transport in our city. I call upon the Federal Government to adopt the recommendations of Sustainable Cities report as policy, and I call upon the State Government to commit to a co-ordinated transport blueprint, with an integrated public transport network that includes fast-tracking public investment in overdue heavy rail projects and expanded inner city light rail.

**Mr MICHAEL DALEY** (Maroubra) [4.56 p.m.]: I am pleased to speak on the subject of sustainable cities. Through the Metropolitan Strategy and other plans, the Iemma Labor Government is seeking to manage the growth of our city to ensure that it is sustainable. I wish the same could be said of the Howard Government—a government that does not have a Minister representing planning or urban interests, and a government that fails to heed the advice of its own parliamentary committee on managing urban growth. Curiously enough, the only person engaged by the Federal Government who could even be described as approaching the holding of such a role is Malcolm Turnbull, who was appointed as some sort of bover boy on water issues. In an acknowledgement that the Iemma Government has it right on water and that the Federal Government has nothing to contribute in that regard, I notice that he is missing in action on that subject.

I am sure honourable members are familiar with the New South Wales Government's Metropolitan Strategy, "City of Cities—A Plan for Sydney's Future". Through this strategy, the Government is planning for 1.1 million extra people in Sydney over the next 25 years. The strategy also plans for long-term economic growth, balanced with important social and environmental priorities. The plan was developed with five aims. Firstly, the plan was designed to enhance liveability by providing, for an ageing and changing population, a diverse choice of housing that is close to services and protects the character of our suburbs and communities. Secondly, the plan was designed to strengthen our economic competitiveness and prosperity. This is to be achieved by increasing the city's and the region's competitiveness in global markets and sharing the benefits across the city. Thirdly, the plan aims to provide fair access to jobs services and lifestyle opportunities by aligning services close to where people live, and by providing access to transport.

The fourth major goal of the plan is protecting the environment. This important goal includes protecting Sydney's unique environmental setting while reducing our use of natural resources and production of waste. Finally, the plan seeks to improve the quality of planning and decision making, and give the community confidence in our institutions. The metropolitan area under the strategy includes five regional cities and 22 other strategic centres. The plan will strengthen these centres, ensuring they have a vibrant and profitable long-term future. The Premier's recent announcement on the city centres task force shows that the Government is serious about planning for fresh employment, and housing and lifestyle opportunities in centres such as Liverpool, Parramatta and Penrith.

More than two million people already live in Western Sydney. The Government is planning for almost 400,000 new dwellings and more than 200,000 new jobs in that region by 2031. That is a monumental challenge—one we look forward to and one that we will meet. Through the Metropolitan Strategy we will share the benefits of the nation's leading city in a more equitable way across all regions. Residents should not have to travel long distances to work, to do their shopping, or to access recreation, leisure and cultural facilities. So clearly, our planning strategies are integral to the future of Sydney as a sustainable city and New South Wales as

a sustainable State. Another important part of the State's future is a healthy environment. The New South Wales Government is committed to promoting the sustainable use of energy and water in new housing through its Building Sustainability Index—known as BASIX.

There is no doubt that BASIX will deliver major environmental benefits. Over the next 10 years the BASIX reforms for unit blocks and new housing developments are expected to save 287 million litres of water, the equivalent of 15 per cent of Warragamba Dam. BASIX is expected also to cut greenhouse gas emissions by up to 9.5 million tonnes—which is equivalent to removing 2.6 million cars from New South Wales roads! There have been suggestions that the Government's review of the merits of the BASIX 40 per cent greenhouse target scheduled to commence on 1 July this year will jeopardise water savings from BASIX under the Metropolitan Water Plan. That is not the case. The Minister for Planning has assured me that there are no plans to review the BASIX water target. At the same time, reflecting best practice, the Minister is committed to regular assessments of the progress of important initiatives such as BASIX. Before a decision is made on the next stage of BASIX the Minister will continue to listen to key building industry and environmental groups, despite some recent scuttlebutt to the contrary.

The New South Wales Government is committed to meeting the challenges of Sydney's population growth. The Government has developed a plan for a fair, sustainable and economically competitive city to be enjoyed by future generations. However, unfortunately the same cannot be said of the Federal Government. The report "Sustainable Cities" was tabled by the Federal Government's House of Representatives Standing Committee on Environment and Heritage, chaired by Liberal member of Parliament, Mal Washer, in September 2005. The report calls for greater Federal Government responsibility and funding for future transport infrastructure. The report is a call to action for the Federal Government! The honourable member for Bligh was absolutely correct in her assertions to that effect. The report recommends a significant boost in Federal Government funding for public transport—particularly rail services—in our capital cities, a boost in Federal Government funding at a time when it is running a budget surplus of obscene proportions. It is the highest taxing government in the history of our nation.

The report also called for the Federal transport infrastructure budget to include funding for sustainable public transport infrastructure for suburbs and developments on the outer fringes of cities. Sadly, the Howard Government has so far ignored the advice of a committee chaired by one of its own members. The Commonwealth should also be heeding the advice of its environment committee in relation to its approach to immigration policies. The Federal Government should remember that a significant proportion of new arrivals in Australia settle in its cities, particularly in Sydney. Sydney is this country's only global city. Many of its great features are recognised as marquee symbols of Australia, recognised around the globe as emblems of this Lucky Country. But to whom does it now fall to accommodate all those new arrivals, to plan for their housing, transport and health needs, to overcome the population pressures, and to cope with the cost of congestion? Not the Commonwealth. Not John Howard.

Sadly, there are no 19-gun salutes on the White House lawn for John Howard when it comes to these crucial issues, which he finds boring and irrelevant. No, once again, it is left to the States—in the case of New South Wales, a State that is being robbed of its share of GST funds, which should have been invested in our services and infrastructure. That is a robbery of funding which apparently is okay, according to the New South Wales Opposition. The Federal Government's Standing Committee on Environment and Heritage took an interest in the sustainability of our cities and produced a list of 32 recommendations. So why cannot the Howard Coalition Government assist with their adoption? I call on members opposite to lobby their Coalition colleagues in Canberra to cough up the dollars and act on those committee recommendations. For example, one recommendation is to explore incentive payments to the States and Territories for sustainability outcomes in the same way as the National Competition Council provides payments for promoting competition. The report recommended also that the Commonwealth "significantly boost its funding commitment for public transport systems, particularly light and heavy rail, in the major cities".

Since the Howard Government was elected in 1996 it has put not one dollar into improving commuter public transport in Sydney, so that funding commitment would be welcome. Indeed, the Howard Government's tax system actively encourages the use of cars over public transport. It provides a fringe benefits tax [FBT] break to car buyers. The New South Wales Government believes a responsible Federal Government would offer incentives for workers who opt for public transport over cars. Also that inquiry recommended that the FBT provisions be reviewed and that those incentives be extended to other modes of transport. That is a recommendation we support absolutely—and the Howard Government should too. If it can give Malcolm Turnbull—a man who is arguably Australia's richest member of Parliament—almost \$20,000 a year in lieu of a car to subsidise his spending on trains and taxis, it should also give tax breaks to workers who catch public transport.

The issue here is for every tier of Government to enshrine sustainability as a guiding principle for its cities—as the Iemma Government has with our Metropolitan Strategy. The upcoming State Infrastructure Strategy and budget will also demonstrate the Iemma Government spending its dollars on putting the Metropolitan Strategy into action. Unlike the New South Wales Opposition we are putting our money where our mouth is. Now it is up to the Federal Government to do the same.

**Mr DAVID BARR** (Manly) [5.06 p.m.]: Without sustainable cities we are condemning future generations to environmental and economic impoverishment. Our current lifestyles, levels of consumption and levels of scarce resource use are colliding with the capacity of the planet to sustain them in any meaningful way. Our ecological footprint greatly exceeds the battered environment's capability to support it in an ongoing manner. In environment terms we are borrowing against the future and the cost will be borne by our children and their children. In Tim Flannery's words, we are the "future eaters."

We are a highly urbanised society and we are living in cities that are becoming more ramshackle, more inefficient and more environmentally unfriendly, and in the process we are risking future affluence and wellbeing. We have serious shortfalls in the provision of adequate transport services and systems. We have serious issues with water and we are not producing anywhere near the number of environmentally efficient commercial and residential buildings that are needed. We are not doing what we should be doing to produce a more environmentally efficient and sustainable urban environment.

Currently each year we use about 600 giganlitres of water and we recycle only 3 per cent of that—that is peanuts! Most of that recycling is at the sewage treatment plants. The Government proposes to increase recycling to 75 giganlitres over 10 or 15 years, but that is still only 12 per cent. If ever there was a symbol of the failure of governments to view the future—and certainly by Sydney Water—it was the proposed desalination plant. It should never have come to that. Desalination is one of the most inefficient ways of producing water and it encourages the notion that resources are still there, in abundance, for us to use and that there will never be any problems if we keep going down that path. Well, there are problems. We should focus much more on recycling. So far as water and energy use is concerned, we should make sure that every household, every residential building, becomes much more self-sufficient by design and use.

The use of rainwater tanks and the reduction of electricity must be implemented in all future buildings. We must find ways of retrofitting as many houses as we possibly can. Mention has been made of the Federal Government's surplus. I despair at the way in which Federation is currently functioning. The Federal Government has a surplus of \$11 billion. That would have been a surplus of \$22 billion had the Federal Government not given away \$11 billion in various tax concessions and whatever else.

It is time for Federal and State governments to get together and come up with a cohesive and coherent plan to make our city's water sustainable. That might cost billions of dollars but I think the public are ready for such infrastructure spending rather than getting tax cuts all the way through. We must safeguard our city's and our children's future. We obviously need to go into public transport in a much bigger way. When the harbour tunnel was built in the early 1990s there were about 177,000 car movements across the harbour bridge each day. Today, with the combined tunnel and harbour bridge that figure is around 240,000 motor vehicles. The carrying capacity of roads leading up to the harbour bridge and the tunnel has remained the same. That cannot continue.

An ever-increasing number of private motor vehicles cannot keep on heading towards the central business district [CBD] because the roads in the CBD do not have the carrying capacity. The only answer to the sensible use of our roads is a better transport system. In the northern beaches area the only answer is a better bus system. I have been an advocate for the widening of the Spit Bridge. The Spit Road and Military Road corridor has to be improved for much better public transport and bus use. When there are an additional two lanes, buses will not be restricted in peak times to sharing one lane with motor vehicles. There will be three lanes and buses will get a much better flow, which is just one of the advantages. Much more must be done in relation to public transport, water use and making our houses more energy efficient.

**Ms CLOVER MOORE** (Bligh) [5.11 p.m.], in reply: I thank the honourable member for Maroubra and the honourable member for Manly for their contributions to debate on this matter of public importance. The Federal Government has failed to provide leadership and invest in public transport despite its Sustainable Cities report, which provides a bipartisan perspective that shows how important it is for action to improve sustainability. Transport is fundamental to this, and light rail is considered to be a viable option for the central business district [CBD] and inner suburbs. Despite the report's recommendations the Federal Government's latest budget overlooked the need to boost public transport and reduce car dependence in our major cities.

If the State Government continues to focus investment on roads and tunnels with a "Just add more buses" response to the increased demand for public transport, working and living in Sydney will become more difficult and we will continue to lose essential investment to other Australian and Asian cities. Inner Sydney's increasing residential densities are not being catered for by the region's transport system. It is not unusual for buses to be overcrowded and unable to pick up passengers. The sheer number of buses now required to meet patronage makes this an inefficient and ineffective mode for the demand.

On the other hand, light rail moves higher volumes of people more efficiently and is quieter, faster and cleaner than buses or cars. Light rail is also more reliable than buses and, therefore, would encourage people to leave their cars at home. It is worth pointing out that if all the passengers who currently use rail to travel to Sydney's CBD each day were to shift to private cars—and many are doing that in desperation—Sydney would need an additional 65 lanes of freeway and 782 hectares of car parks. A dedicated light rail network would provide a fast, real solution to this problem if developed as part of an integrated transport plan that co-ordinates bus, train, ferry and light rail systems, reassessing their roles and relative efficiencies and introducing new transport modes as required and needed.

Together with increased investment in heavy rail infrastructure there is the opportunity to make public transport faster, more convenient and more comfortable, and, as a result, more attractive. The view that public transport is only for those who cannot afford to drive must be changed as it has, in particular, in American cities. Instead we have to promote the fact that investing in public transport and making our cities sustainable is the solution to many of our urban issues. It is the key to sustainable urban and economic growth. The city of Sydney is committed to working with the Government to improve transport in the inner city.

For Sydney to maintain its status as the economic engine of Australia it is critical that the State Government develop a transport blueprint that encompasses roads and public transport, allowing for integrated transport with a major investment in fast-tracking heavy rail infrastructure and an extended inner-city light rail network. It is vital that the Federal Government invest in our cities in line with the recommendation in the Sustainable Cities report. Last Saturday the *Sydney Morning Herald* had an editorial entitled "Time is up for a transport fix". The editorial concluded with these words:

In the meantime things are getting close to crunch time.

On the same date the *Daily Telegraph* had an editorial entitled "Are we off the tracks or off the rails?" That editorial concluded:

The starting point is obvious. What is needed is an integrated public transport system ... The time is not way off, it is with us now. So let's not hear of what won't work. Let's hear of what will work then let us put the plan into action.

I call on the Federal and State governments to work with the city in the interests of the future of Australia's only global city.

**Discussion concluded.**

## BUSINESS OF THE HOUSE

### Notices of Motions

**Madam ACTING-SPEAKER (Ms Marianne Saliba):** Order! It being 5.15 p.m. the House will now deal with General Business Notices of Motions (General Notices).

**General Business Notices of Motions (General Notices) given.**

## PRIVATE MEMBERS' STATEMENTS

### KU-RING-GAI ELECTORATE BUILDING DEVELOPMENTS

**Mr BARRY O'FARRELL** (Ku-ring-gai—Deputy Leader of the Opposition) [5.25 p.m.]: I again raise the issue of the State Government-imposed density development in Ku-ring-gai, the flaws in that approach, the implications for current and future residents, and the plea for a better way forward. I raise this issue often in this

place because of the repeated failure by the State's planners to recognise and respond to community concerns and needs. I have repeatedly pointed to flaws in the State Government's approach. First and foremost is the continued failure by any of Labor's successive planning Ministers to make any commitment to improving and matching infrastructure and services to the needs of the proposed new population densities being imposed upon Ku-ring-gai.

Given the existing problems with roads, train stations, bus services, sewerage, and water and electricity supplies across Ku-ring-gai, this ongoing silence about how the area will cope with these new populations is scandalous. It again demonstrates the mockery the Labor Government has made of the term "planning". What is happening in Ku-ring-gai and elsewhere across this city is not planning because there is no co-ordinated and comprehensive approach to match population growth to improved services and infrastructure. Instead, what is occurring across Ku-ring-gai and greater Sydney is sheer and unadulterated overdevelopment that in no way respects either current or future generations of residents. It is an approach that is cementing in continuing problems with roads and public transport systems and utilities.

The second major flaw is the State Government's failure to address the interface issue. The absence of interface arrangements means that unit blocks of five or more storeys can be built adjacent to single-storey and double-storey family homes. When it imposed the current zonings in May 2004 the State Government rejected a proposal for a "step-up" interface regime—one that would have allowed only two-storey townhouse developments adjacent to single-storey homes, three-storey unit blocks next to double-storey residences, and so on. In this way neighbours' amenity and privacy would have been protected. As it stands, it is straight-out theft—steft of amenity, privacy, and housing value. A fact that again confirms that what the State Government describes as "planning" is far from any reasonable concept of that term. This interface issue is made all the more crucial when the neighbouring property is of heritage value.

The absence of effective interface arrangements, and the repeated failure of the State's planners to propose any alternative arrangements, will also result in a "bleeding" of multistorey developments outside the existing zones. Many of those living next to these developments will try to move and those looking to buy will seek to maximise the opportunity for the land and seek rezoning. It is a process that again undermines the State Government's claim that its density development will be restricted to areas within the zones gazetted in May 2004. That leads me to the other significant element of the Government's flawed approach to development: its simple failure to understand the character of Ku-ring-gai. It does not understand that the current style of detached homes on reasonable-size blocks, along with our fine schools and natural environment, is the major reason most people move to the area to live. While we need housing choice, especially for our seniors, and while Ku-ring-gai has always borne its fair share of the city's population growth, this should not occur at the expense of prevailing character and amenity.

Yet a combination of State planning policies—planning instruments that have never been presented to Parliament for discussion or approval—threaten to do just that. Instead of using cutting-edge planning approaches, State bureaucrats have fallen back on tired, old formulas. Instead of promoting development that blends into our prevailing residential character, what is being built would be more at home in Pymont or Green Square than in Ku-ring-gai. One need look only at the six sites across Ku-ring-gai for which the State Government has assumed direct planning control. Look at the developments at Warrawee and Lindfield and try to explain how they enhance or complement the Ku-ring-gai residential character. This is a State Government that seems intent on repeating, rather than avoiding, the planning mistakes of past generations and leaving the mess for future generations to try to unpick.

That brings me back to my first point. Through its planning powers, this State Government is about to miss a once-in-a-century opportunity to address one of the biggest bugbears afflicting Ku-ring-gai. The Pacific Highway runs through Ku-ring-gai like a spine. The volume of traffic and peak-hour congestion is a source of aggravation to residents and other road users alike. The highway's pressure points—the areas where maximum delays occur during peak periods—are generally located where the highway runs through shopping districts. Despite the obvious problems, in all the State Government plans for the Turramurra town centre, for instance, there are, unbelievably, no plans to eliminate existing problems with the highway. There are no plans to try to ensure that it is less of a barrier between the disparate parts of the town centre, no plans to reduce the existing congestion, and no plans to reduce existing pedestrian dangers.

But, importantly and incredibly, the State Government is not taking the opportunity to eradicate existing safety concerns, including those of motorists and trucks travelling south at Turramurra on a blind curve approaching the pedestrian crossing on the highway at Kissing Point Road. The Government is not seeking

solutions to improve alignment and remedy these issues. Instead we will simply see five-storey buildings erected along the existing corridor. Equally, at Pymble, despite all the developments proposed under the State Government's planning framework, there is an absence of any plan to replace the existing Pymble rail bridge. The existing bridge is a traffic black spot because it narrows the highway from three to two lanes at this point and because of the camber, or slope on the surface, of the road.

The existing Pymble Bridge is a disaster waiting to happen, yet the State Government remains deaf to community concerns. The highway issues at that and other points in Ku-ring-gai, like those on the highway at Chatswood presently, will go unaddressed in all the developments being imposed by the State Government. It is a reckless abrogation of responsibility. One of the few benefits of what is currently occurring with development along Ku-ring-gai's spine could and should have been improvements to the Pacific Highway to try to improve its operation, its impact upon residents and the amenity of the area, but, like other needs locally and elsewhere, they languish unattended. Future generations will wonder at the stupidity of it all.

### EDUCATION WEEK

**Mr BRYCE GAUDRY** (Newcastle—Parliamentary Secretary) [5.30 p.m.]: This year the theme for Education Week was "Public Schools Leading the Way". In Newcastle my parliamentary colleagues and I had the opportunity to witness the quality, confidence and fantastic outcomes of public education at schools, TAFE colleges and the Conservatorium of Music in Newcastle. Education Week was opened with an ecumenical service at Christ Church Cathedral officiated by the Very Reverend Graeme Lawrence, the Dean of Newcastle. Those present had the opportunity not only to join in the service but to listen to the wonderful music of *Sarabande* by Corelli, performed by Hallam and Ailsa Fulcher from Merewether High School, and *For the Beauty of the Earth*, performed by Hunter Singers, who are renowned as a great public education group. Bolwarra Heights Public School choir sang *Second Start to the Right* and *Brolga Dance*. A series of prayers and reflections was led by students from several schools in the Newcastle and Central Coast regions. A celebration was conducted on the Newcastle foreshore with awards presented to teachers, school assistants and members of the community who have helped in education in all the great public schools across the Newcastle area.

On Thursday 18 May a scholarships presentation evening was held for conservatorium awards in the concert hall of the conservatorium to recognise the excellence, capacity and confidence of the students, and to listen to their wonderful choral and instrumental items. One of the most outstanding events I witnessed and took part in was the TAFE Hunter Institute awards for 2006. More than 56,000 students study at the Hunter Institute at its 15 campuses across the Hunter Valley and the Central Coast. The institute provides programs that cover the whole range of TAFE New South Wales course areas. In that week students from the Hunter Institute competed at a national level in the national WorldSkills competition, and half of the students were awarded medals, including Luke Gallagher who received a gold medal in the autobody repair category and will compete at the international competition in Japan next year.

The institute offers an impressive range of specialist applications, such as equine studies at Scone, art and design at the Hunter Street campus, tourism and hospitality at Hamilton, automotive studies at Glendale, and viticulture and horticulture at Kurri Kurri. The Hunter Institute is continuing to evolve and provides not only a fantastic range of engineering skills for the industries in the Hunter but a broadening range of occupation and developing export industries, which are catered for by the excellence of the TAFE system. The TAFE system has strengthened engineering skills as it links to, and provides the skills required for, our local industries such as shipbuilding, rail building and the burgeoning information technology industry.

In the past year TAFE has increased apprenticeship enrolments in metal fabrication, fitting and machining, electrical trades, building and construction, commercial cookery, hairdressing and automotive mechanics for both the light and heavy vehicle industries. TAFE assists local industries and businesses by providing the necessary skills required for their growth. This year there were 18 State medal winners from the institute who got the highest average mark for approved courses, many statewide winners and faculty award winners. The overall winner in the faculty area of arts and media was Bianca Johnson, a talented young woman who received a Diploma of Textiles, Clothing and Footwear. She is well on the way to being a successful designer. I congratulate everyone involved on leading the way in education in Newcastle and the Hunter Valley.

### MR LYLE DENSTEN AND MS AILEEN MALLOY AND THE OFFICE OF STATE REVENUE

**Mr ANDREW FRASER** (Coffs Harbour) [5.35 p.m.]: I raise similar issues on behalf of two constituents who are in dispute with the Office of State Revenue in relation to purported outstanding fines

imposed by Hurstville Council, the Roads and Traffic Authority and others. Mr Lyle Densten, a returned serviceman—a totally and permanently incapacitated pensioner—tried to renew his licence but was told that it would not be renewed because he has a list of outstanding fines. On 17 February I wrote to Mr Michael Costa, the Treasurer. I sent two follow-up letters to which I have not received a response. That is exceedingly poor form because at this stage Mr Densten is literally driving unlicensed. In my first letter I wrote:

Mr Densten further advised me that he was overseas in 2004 and could not have incurred penalty numbers 245335969 or 2453956739. He has provided copies of his passport to support his claim.

He was not in the country but he got two fines. That is absolute nonsense. I also wrote:

He also states that he has never owned a vehicle with the car registration of SE394 which relates to enforcement orders Nos 214248221 and 214740747 and he does not understand the reason given for enforcement No 218938168 and is unaware of the incident.

I call on the Government, the Minister and the Treasurer to get rid of these fines on the basis of the evidence I have provided to the Government and the Office of State Revenue. The fines still stand and Mr Densten, a returned soldier, is driving unlicensed because the Government will not accept the evidence of statutory declarations, passport endorsements, et cetera.

The other constituent is Ms Aileen Malloy, who in July 2005 was accused of parking illegally at Hurstville. Ms Malloy has provided me with statutory declarations from herself, her mother, her partner, her father, a child care assistant from Park Beach Plaza, in Coffs Harbour, and others that provide irrefutable proof that she was in Coffs Harbour on the day in question. Ms Malloy has provided me with copies of lay-by receipts from Park Beach Plaza, where she was on the day. Hurstville council obviously believes that Ms Malloy drove from Coffs Harbour to Sydney, parked in a taxi zone, was fined, and drove back to Coffs Harbour in the space of three hours. That would not only be physically impossible but Ms Malloy would have had to break every speed limit between Sydney and Coffs Harbour to try to do so. A letter to me from the Office of State Revenue states:

Council advised that the registration number, description and expiry date of the vehicle registration noted by the parking officer at the time the fine was issued ...

In her statutory declaration Ms Malloy states:

I met a girlfriend at Park Beach Plaza shopping centre NSW at 11.15 am to do Christmas shopping for our children.

I drove my car (XZC-690) and it was parked at the plaza, 2450, for approx. 3hrs. My car or myself have not been in Sydney since 1998.

It is absolutely amazing that these two people are being ostracised. The Office of State Revenue has waived a \$40 fine, but said that the only thing Ms Molloy can do is contest the matter in court. Surely receipts showing she was in Coffs Harbour and statutory declarations from a range of people, including the child care officer, must be accepted as proof. For the department to accept the bad handwriting of a Hurstville council officer over and above the statutory declarations is an absolute disgrace. This is an impingement on the rights of these people. They feel like criminals. Neither has committed the offences for which they have been fined. I ask the Parliamentary Secretary to raise these matters with the Treasurer. I have written to him on several occasions but have not received a response. [*Time expired.*]

### **ILLAWARRA SPORTS HIGH SCHOOL GYMNASIUM OPENING**

**Ms NOREEN HAY** (Wollongong) [5.40 p.m.]: Recently I was honoured to represent the Minister for Education and Training, the Hon. Carmel Tebbutt, at the official opening in my electorate of the Illawarra Sports High School's new gymnasium. On my arrival at the school to represent the Minister I was greeted by school captains and prefects, vice-prefects, et cetera. It was a fantastic presentation by these young high school people, who were immaculately dressed and smiling, clearly were happy, and extended a really warm greeting. I was very impressed. It brought back some memories, as one of my sons was a vice-prefect of the same school.

I am proud to have enjoyed a long association with Illawarra Sports High School over the years. During Education Week 2006 I was particularly proud to be able to open the new gymnasium and new facilities at a school, whose core values represent the very best of New South Wales public education. I would like to acknowledge that Dr Peter Bailey, the Principal of Illawarra Sports High School, also gave a warm greeting. He

was accompanied by Mr Graham Kahabka, School Education Director, Illawarra and South East Region; Mrs Dona Eady, President, Illawarra Sports High School Parents and Citizens Association; and Miss Rachel Reidel and Mr Robert Melville, School Captains, Illawarra Sports High School.

As I walked the path to the new gymnasium, which was magnificent, it was absolutely delightful to note that both sides of the path were lined with the sporting teams, male and female—baseballers, netballers, basketballers and soccer players, to name just a few. It was a pleasure to speak to each of them. I managed to talk to some of the soccer players, not only because I am a staunch supporter of the Socceroos but because Chelsea, in Europe, is my team and won the championship. So I had a lot to talk to those young people about. It was a wonderful experience.

Illawarra Sports High is also unique in its relentless focus on producing young men and women who are healthy and strong in mind, body and character. I have on a number of occasions attended meetings and special occasions at Illawarra Sports High School, both as a parent and officially as the member for Wollongong. In that respect I would like to acknowledge that the past principal of the school, who was the principal when my three eldest were at the school, Mr John Rowe, was also in attendance. I chose to send my children to Illawarra Sports High School because it has a wonderful reputation for providing students with a holistic education.

I understand that education research shows active and athletic young people involved in sport are also likely to learn more easily. This is reflected in the school's Latin motto "*Integer Vitae*—The Wholeness of Life", an ideal passed to us from ancient Rome and Greece, and which outstanding New South Wales public schools such as this still aim to cultivate in our students. The opening of this wonderful new facility during Education Week was a fitting reminder of the terrific achievements of New South Wales public education. Illawarra Sports High School is, as I said, typical and special. The school reflects the vision and drive of the Illawarra community and the tremendous sporting traditions of our area. The Targeted Sports Program is just one example. This program caters for the needs of 450 selected elite athletes. The program covers a range of sports, and students are regularly selected from the Targeted Sports Program to represent State and national teams.

The road this school community has travelled from the first humble dreams of a gymnasium to the reality of a fine facility is testimony to the commitment and perseverance of a large number of people over the years. The school community has worked long and hard to see the gymnasium completed, and I acknowledge its efforts. The gymnasium has provided a new, modern venue for the teaching of PDHPE. The teachers and students indicated their appreciation of the building itself, and what it stands for. It is a tangible expression of the wholehearted faith of a community in this public secondary school and its faith in the future of its students. The Illawarra community has benefited from the facility, not only from the spirited and athletic young people it nurtures, but also because it is accessible after hours, with a Futsal competition for all age groups. The Wollongong Roller Hawks and Kitty Hawks Basketball teams, Illawarra netball, Illawarra Junior Dragons Rugby League and junior disabled basketball teams enjoy those facilities. I congratulate the teachers, staff and everyone connected with the project.

#### **OUR LADY OF LOURDES SCHOOL, BAULKHAM HILLS, STUDENT SAFETY**

**Mr WAYNE MERTON** (Baulkham Hills) [5.45 p.m.]: I am sure all members of this House will agree with me that the safety of our children is of paramount importance. Tonight I raise the concerns of the staff and parents of students from Our Lady of Lourdes School, Baulkham Hills. This matter was raised at last week's meeting of the Baulkham Hills Shire Council traffic committee. My representative advised those in attendance that I had already written to the Minister for Roads in support of the request for a 40 kilometres an hour school zone to be introduced on Windsor Road to protect the safety of the students who attend Our Lady of Lourdes. I also visited the school last week to personally discuss the situation with Helen Kingsley, the school principal, parish priest Father Paul Slyney, and parents of students attending the school, including the parents and friends president Damien Piggott. Though this school is located on the very busy Windsor Road in Baulkham Hills, a 40 kilometres an hour school zone has been rejected by the Roads and Traffic Authority [RTA]. In correspondence last year the RTA stated:

School zones are not intended for routes to school such as Windsor Road.

Our Lady of Lourdes has an extensive frontage to Windsor Road, with all pedestrian and vehicle movements to and from the school being via Windsor Road due to the layout of the area. All school bus services set down and pick up from either side of Windsor Road. It must also be recognised that at this location Windsor Road is six

lanes wide. There are other schools on Windsor Road that have had a 40 kilometres an hour school zone installed. Between North Parramatta to Box Hill on Windsor Road are three schools with 40 kilometres an hour zones: at St Monica's, North Parramatta, Baulkham Hills High and Kellyville Public.

Other major roads in the area also have 40 kilometres an hour school zones. They are on Old Northern Road at St Gabriel's and St Bernadette's, and on Pennant Hills Road at Redeemer Baptist, Burnside Public, Kings School and Cumberland High. Why then has the Roads and Traffic Authority refused to install a 40 kilometres an hour zone on Windsor Road for Our Lady of Lourdes students? Parents and friends committee president Damien Piggott has told me that there are near misses all the time at the school crossing. We can only thank God that there have been no fatalities.

The Roads and Traffic Authority argument simply does not make sense. It must not be allowed to have its way on this matter. Apart from crossing the busy Windsor Road before and after school, Our Lady of Lourdes students also have to cross Windsor Road three times a week to reach their recreational ground. The green "Walk" sign at the crossing lasts only 5.5 seconds, and it took an adult staff member more than 20 seconds to cross the road. How can anyone expect young infant children to cross it in 5.5 seconds? The RTA should immediately act to improve the phasing of this pedestrian facility and install the 40 kilometres an hour school speed zone.

I call upon the RTA to investigate the feasibility of an overhead pedestrian bridge over Windsor Road. Such a bridge would not only be of assistance to students of the school and those who attend the adjacent parish church, but it would also be advantageous to residents who are forced to cross this busy road to access the M2 city express bus. For too long this Government has procrastinated about doing something to ensure children's safety at school crossings. For three years we have been told that flashing lights have been on trial. Three years is a long time to make what the Opposition believes should be a very simple decision. The safety of young people is paramount. The Government has indicated it is about to do something about it, but, unfortunately, it is probably three years too late because tragedies have occurred during that time.

If ever there were a situation calling out for immediate action it is ensuring the safety of children attending Our Lady of Lourdes school, which needs clearly marked 40 kilometre-per-hour signs and flashing lights. Only then can we be certain that we have done everything to ensure the safety of our young children. We do not believe young lives should be put at risk. We believe the ineptitude of the Government in the past three years and its attitude to flashing lights is despicable.

#### **PATH INCORPORATED SPORTING AND COMMUNITY PARTICIPATION AWARDS**

**Mrs KARYN PALUZZANO** (Penrith) [5.50 p.m.]: I inform the House of the PATH Incorporated sporting and community participation awards for 2006. PATH is an organisation of which I have become aware in my role as the member for Penrith that provides information, advocacy and support services for people with disabilities, their families and friends. I pay special tribute to Joan, who has worked tirelessly for PATH, and Joyce Belchambers, the President of PATH. Both of them are celebrating 25 years of service to people with disabilities in Penrith, their families and friends. The awards ceremony was part of a Community Development and Support Expenditure scheme. I thank the Nepean Rowing Club for funding the awards. Ben Felton, the guest speaker and one of our local residents, not only participates in adaptive rowing but also plays in the Australian blind cricket team. He has represented the area proudly at many sporting events. This year marked the inaugural Kathleen Grange Memorial Award, which was presented by Kathleen's sister, Mary, on behalf of other Grange family members, Betty and Thomas.

Amanda Fowler, nine years, received an award for speed skating. Thomas Russell from Mount Riverview, eight years, and Sean Scully, nine years, received awards for ice-skating. Dallas Starr, nine years, received an award for volunteering at the Londonderry Pony Club. Imogen Brian, 11 years, received an award for her involvement with the riding for the disabled group. Joshua Graham, 11 years, received an award for speed skating. Melissa Elcock, 12 years, received an award for swimming. Alleesha O'Kell, 12 years, received an award for skating. Luke Hoffman, 12 years, received an award for participation in school sport. Kara Leo, 13 years, received an award for swimming. Hayden Jones, 13 years, received an award for tenpin bowling. Daniel Tibbetts, 13 years, received an award for football, swimming, and participation in a youth group.

Anthony Fowler, 14 years, who is sight impaired and is the Blue Mountains Young Person of the Year, received an award for swimming. During Youth Week, Minister Meagher presented him with his grant. Daniel Arkwright, 15 years, received an award for skating. Kyane Samuels, 15 years, received an award for swimming,

chair racing and chair football. Larissa Monkerud, 17 years, received an award for being a member of the soccer team at the Deaf Olympics. Philip Smith, 17 years, received an award for horse riding. Anna Curryer, 19 years, received an award for being a member of Keen Teens. Jared Barridge, 19 years, and Cameron Williams, 20 years, received awards for work experience in a pre-employment program. Frank Arratia, 24 years, received an award for representing New South Wales and Australia in the intellectually disabled classification at the Paralympics Games, and particularly at the 2000 Olympics, where he was a member of the intellectually disabled basketball team.

A number of organisations were recognised, including Glenbrook Little Athletics. Anthony Fowler is a member of both Glenbrook Little Athletics and Emu Plains Little Athletics. Other organisations that were recognised included Keen Teens—a group from the Nepean Area Disabilities Organisation—and Penrith South Public School. Linda Hoaru is a teacher in the IO unit and Les Martin is a teacher in the IM unit. Prior to coming into this place I worked at Penrith South Public School with Linda and Les. A number of people who received awards were students from Penrith South special needs classes and it was interesting to see how they had developed. Hayden Jones has developed into a great guy.

Further organisations to receive awards included riding for the disabled in the Blue Mountains, riding for the disabled in Nepean, and the Western Sydney Rockets Ice Speed Skating Club. During the awards ceremony I addressed the group about the importance of young people with disabilities being involved in their community through sport, committee activities, and volunteering. I commend the awards.

### **MACLEAY VALLEY WORKPLACE LEARNING CENTRE INCORPORATED**

**Mr ANDREW STONER** (Oxley—Leader of The Nationals) [5.55 p.m.]: I draw to the attention of the Minister for Education and Training dealings between the Department of Education and Training [DET] and the Macleay Valley Workplace Learning Centre Incorporated, which is a highly successful vocational training enterprise based in Kempsey. Over many years it has won numerous awards, including national awards, for vocational training. It has an extremely high success rate. I believe that part of the reason for its success is its extremely good networks within the local community. It is supported by the local community, including businesses in which the trainees are ultimately placed.

The centre works with young people either at risk or suffering from some form of disadvantage. It is an extremely worthwhile service that has grown from a community need to serving the community very well. However, the management of the Macleay Valley Workplace Learning Centre believes that it has been severely disadvantaged in its dealings with the Department of Education and Training. Specifically, it believes its business has been almost destroyed by inconsistent policy on the payment for traineeships under the Apprenticeship and Traineeship Training Program.

In particular the centre raised a number of cases in which payments made for the traineeships have been completely inconsistent and varied. For example, the contracted price for a Certificate IV in Horticulture (Production) is \$1,500 but the Macleay Valley Workplace Training Centre received only \$937.50 from the Department of Education and Training. The contracted price for a Certificate III in Hospitality (Operations) is \$1,700 but the centre received only \$1,258. The contracted price for a Certificate III in Retail Operations is \$1,700 but the centre received only \$765.

The contracted price for a Certificate III in Retail Supervision is \$1,700, but the centre received only \$765. The contracted price for a Certificate III in Retail Supervision is \$1,500 but the centre received only \$1,125. The contracted price for a Certificate III in Retail Supervision is \$1,500 but the centre received only \$675. The contracted price for a Certificate II in Retail Operations is \$1,500 but the centre received only \$1,000. In other cases which I have not mentioned, the provider received the full contracted price. The Macleay Valley Workplace Learning Centre is at a loss to understand the department's policy. It cannot effectively budget or provide cash flows to continue its operations if this policy continues.

The learning centre has referred these matters to the Ombudsman and since doing so it has suddenly found that it is receiving full contract payments and subsequently has been offered a skills training contract with the Department of Education and Training for \$54,000 in 2006 when the centre had not applied for that and had actually missed the closing date for an application. Recently the centre was contacted by the DET with another offer for 2007 in relation to the same program. Since the matter was referred to the Ombudsman, the DET has insisted that the underpayments are actually overpayments, even though the other traineeships that the Macleay Valley Workplace Learning Centre Incorporated had not complained about had been paid at a higher-than

advertised contract rate, and no action has been considered. The management of the Macleay Valley Workplace Learning Centre Incorporated considers that the DET is attempting to bully and intimidate the centre into withdrawing its complaint to the Ombudsman. That view is reinforced by the fact that the centre has been audited twice by the DET in less than 12 months since the dispute was referred to the Ombudsman. I ask the Minister to look into this matter and support this highly successful local program in Kempsey.

### **SOUTHERN SYDNEY FREIGHT RAIL LINE**

**Mr PAUL LYNCH** (Liverpool) [6.00 p.m.]: I draw to the attention of the House a project of some magnitude with potentially very significant consequences for many of my constituents. This is the proposal to construct the southern Sydney freight line adjacent to the existing rail line between Sefton and Macarthur for a distance of 30 kilometres. The estimated construction cost is \$192 million. It will commence operation in 2008. It is being proposed by the Australian Rail Track Corporation. This is a Commonwealth-owned corporation that everyone expects to be privatised. It is responsible for the interstate freight network.

An environmental assessment has been prepared and is currently on display until 2 June. Written submissions will be received until the close of business on that day. The environmental assessment is on display at Liverpool City Council, which is fair enough, and is also allegedly available on the web. Today my electorate office received a plethora of phone calls from people who had attempted to access the environmental assessment through the web, but found that the files are just too large to access. On the basis of what I have been told by my electorate office staff, it seems that public consultation through web-based access is a bit of a farce.

In general terms, the concept of a freight rail line is a good thing. Currently there are significant rail freight transport bottlenecks in southern Sydney. During the morning and afternoon peak hours, freight trains cannot run because passenger trains have priority. An extra dedicated line not only will help efficiency and economic development but, even more desirably, will reduce the amount of freight otherwise travelling by road, to the environmental detriment of my constituents.

However, there are some very serious problems with the proposal that are evident from an examination of the environmental assessment. First, the time for public exhibition and for receiving written comments is manifestly inadequate. Allowing only a month for a project of this complexity is simply unacceptable. This is especially so when the environmental assessment that I have seen seems to be inadequate. One technical expert to whom I have spoken suggests that the environmental assessment has been only half done. The other problem is obtaining access to it, as I have mentioned. I ask the State Minister to extend the period allowed for exhibition and for public comment. I note that that request has also been made by Liverpool City Council.

The scale of the proposal is really massive. It suggests that freight trains of up to 1.8 kilometres, that is, almost 2 kilometres long, travelling at 80 kilometres per hour will be added to the rail system. At peak periods, according to one estimate I have heard, there will be 10 minutes only each hour when level crossings will be able to be used. The aspect of most obvious and direct concern to my constituents relates to noise and vibration impact on nearby residents. This relates particularly to some of the residents in Speed Street and Riverpark Drive, Liverpool, and Manning Street and Hart Street, Warwick Farm. Some of these streets are provided with some noise mitigation measures, which arguably are inadequate, and some are not provided with noise mitigation measures at all.

I know the honourable member for Macquarie Fields has similar concerns about houses in McGowan Crescent, Congressional Drive and St Andrews Boulevard. Sound barriers of up to four metres in height are proposed only on the freight line side of the railway track. In my electorate the freight line is on the eastern side of the railway track. That means that some noise mitigation walls are provided between the freight line and premises in Riverpark Drive, but none to protect Speed Street. Some mitigation works are provided to protect properties in Manning Street, Warwick Farm, but there are none to protect properties in Hart Street. And this of course does not include the impact of construction activity when the line is being built.

The environmental assessment suggests that construction will require night-time work. It is also clear from the assessment that maximum noise levels from some construction work will exceed the desirable noise criteria. The noise mitigation measures proposed, on the face of it, are inadequate. As I read the environmental assessment, it concedes that eight residences in Warwick Farm and 24 in Riverpark Drive will be affected by noise in excess of the criteria, after the mitigation measures have been constructed. The proposal should be reviewed to see how that might be improved.

Another issue is that many argue that proper maintenance can substantially reduce the level of noise generated by such trains. The ARTC will not actually do the maintenance and it is going to be privatised, anyway. I personally have little faith in the potential effectiveness of any maintenance regime to mitigate noise. One of the other issues arising from this proposal concerns the impact of the freight line upon Lighthorse Park. For the future development of Liverpool CBD, Lighthorse Park is quite important. However, this proposal involves part of Lighthorse Park being alienated for the freight line. At its greatest, this involves about 25 metres of Lighthorse Park, but the practical impact is even greater because beyond the 25 metres the land will slope away. Part of the issue is the development of the Liverpool Station turnback and extra passenger platform, which is even more important than the new freight line. However, I would like a proper review to see whether this land alienation can be minimised.

Another issue relates to level crossings. Most attention will focus on the Casula Powerhouse level crossing, which is not within my electorate. In practical terms, I think that an even greater problem is the level crossing at Liverpool Hospital. The projected increase in rail usage makes the hospital level crossing a disaster waiting to happen. The environmental assessment is quite inadequate about that. It is just hopelessly vague and throws the problem onto everybody else's shoulders. The relevant section is paragraph 4.3.5 of the environmental assessment, which blithely assumes that at some stage in the future the level crossing will have to be closed, but in the meantime safety will have to be improved. That is a thoroughly inadequate response to an issue that is as important as the level crossing at the Liverpool Hospital.

### **HOLBROOK PUBLIC SCHOOL AIRCONDITIONING**

**Mr DARYL MAGUIRE** (Wagga Wagga) [6.05 p.m.]: Holbrook Public School is in my electorate and has approximately 166 students. Airconditioning has been provided for year 3 and year 4 classrooms and for the staff room. The school was able to install airconditioning in the library by using school funds and a donation from the Parents and Citizens Association. Because the school installed the airconditioning, the school is responsible for the cost of ongoing servicing. The rooms for year 1, year 2, year 5, year 6 and kindergarten, the art room, the music room, the office, and the canteen are not airconditioned.

The temperature in those rooms is not conducive to learning. It is too hard to concentrate and remain alert for an extended period. Children should have an environment that is conducive to learning, especially in the hotter inland areas. The school does all it can to keep the children cool: some classes are moved into the school library and, where possible, shady areas are used. There are now fewer shady areas because, owing to occupational health and safety issues, the school was required to remove a number of key shade trees. A very dedicated group of parents is trying to raise sufficient funds to build a covered outdoor learning area for the children.

In recent years the group has done a very commendable job in raising enough funds to pay for airconditioning for the library, paving, netball courts, cricket nets, and educational support. Current quotes for the outdoor area are approximately \$100,000. The airconditioning and outdoor area are capital works projects. It is beyond the capacity of the Parents and Citizens Association to fund either project. The Wagga Wagga electorate is in a rural area and the community is still reeling from the ongoing effects of drought.

In January this year the average temperature was 35.4 degrees Celsius. In January 25 days were above 32.2 degrees Celsius or 90 degrees Fahrenheit. Of those days, six were above 34.99 degrees Celsius or 95 degrees Fahrenheit, and 10 were above 37.7 degrees Celsius or 100 degrees Fahrenheit. In February 18 days were above 32.2 degrees Celsius or 90 degrees Fahrenheit. Of those days, six were above 34.99 degrees Celsius and four were above 37.7 degrees Celsius. In the first 12 days of March, nine days were above 32.2 degrees Celsius. Of those days, two were above 34.99 degrees Celsius and one day was above 37.7 degrees Celsius. In the old days children were sent home when the temperature reached 100 degrees Fahrenheit.

Other schools in Albury and Wagga Wagga have airconditioning, and I ask: why not Holbrook? One primary school that is only 40 kilometres from Holbrook has the same temperature statistics but has been fully airconditioned. Crestview Public School, with between six and eight children, was given airconditioning three months before it was closed down because of insufficient enrolments. Its airconditioner is still in the vacant school, but the Crestview children travel to Holbrook and have to try to learn in rooms that have no airconditioning. The temperatures will not be lower this summer, and the area is becoming hotter each year. I have presented numerous petitions in this place on this issue. I wrote to the Minister regarding airconditioning for the school, advising that Crestview Public School still has airconditioning attached to it. I understand that there is a priority list for schools. I asked the Minister where Holbrook school stands on the priority list, which I

have been unable to access. The Minister responded to my correspondence by stating that there is a priority list of capital works but failing to explain to me, or to the parents of Holbrook Public School students, where Holbrook is on that list.

The time has come for the Minister to take action and explain to the Holbrook parents and teachers where that school stands on the priority list, and to advise when they can expect airconditioning for the school and what other means are available to ensure that the school receives the same treatment as other schools in the area. After 11 years, why has that school not been completely airconditioned? I understand that funds are tight, but clearly, according to the statistics that I have read onto the record, Holbrook Public School meets the criteria for airconditioning. I ask the Minister to respond to my questions: Where is Holbrook Public School on the priority list? When can the school expect airconditioning? How much would the parents and citizens association need to provide as its formal contribution? Will the association be expected to maintain the airconditioners? I ask the duty Minister, the Minister for Gaming and Racing, and Minister for the Central Coast, to seek an answer to my questions.

### **STATE EMERGENCY SERVICE FIFTIETH ANNIVERSARY**

#### **STATE EMERGENCY SERVICE ASHFIELD-LEICHHARDT THIRTIETH ANNIVERSARY**

**Ms VIRGINIA JUDGE** (Strathfield) [6.10 p.m.]: On 17 May I attended a presentation evening to celebrate the fiftieth anniversary of the State Emergency Service [SES] in New South Wales and the thirtieth anniversary of the SES in the Ashfield-Leichhardt area. Also honoured were SES members who were being recognised for their special contribution to the community and members receiving the fiftieth anniversary medallion in recognition of their dedicated and unending volunteer service. The SES is a dedicated organisation that is committed to helping those in need. We usually see the SES in times of extreme desperation, but how glad are we when we see the orange angels coming to our rescue! Everyone in New South Wales would have been touched by the amazing work of the SES at one stage or another in their lives.

It takes a special type of person to be in the SES, a person who is not afraid to give, not afraid to put the shoulder to the wheel, and not afraid to work constructively in a group. Fortunately for my electorate, in the Ashfield-Leichhardt area such people have been volunteering for 30 years. However, not only has that fantastic group provided an irreplaceable service for our own needs, but when called upon, it has been at the forefront in helping those in need in other parts of the State. I acknowledge the work of a key member of our SES branch, the Local Controller, Peter Kaye, who has built on the excellent foundations laid over many years by Neil Bridgefoot, Greg Snape and Alexander Bailey. The solid foundation groundwork that they and many others have put in is a reason why our local SES is so effective and I commend their work to the House.

I make special mention of all the members who were acknowledged on 17 May, those who have contributed more than 20 years of service to that spectacular organisation: Alexander Bailey, 1976; Kevin Bartlett, 1983; Geoff Bursill, 1981; Noel Cawthorne, 1982; Peter Dixon, 1976; David Fisher, 1982; Gerry Hume, 1983; Peter Kaye, 1976; Paul Keogh, 1983; Malcolm Little, 1985; Steve Sanson, 1984; Greg Snape, 1980; and Sandy Snape, 1982.

I commend the members who received the fiftieth anniversary medallion: Deirdre Affleck, Alexander Bailey, Gavin Bale, Kevin Bartlett, Claudine Bitar, Andrew Bokor, Yvonne Brake, Nerida Bransby, Tor Budweg, Geoffrey Bursill, Brenda Bursill, Richard Bursill, Noel Cawthorne, Trevor Christie, Ken Coles, Lorraine Coles, Steven Dempsey, Peter Dixon, Tim Ganderton, Bill Garside, Coralie Gordon, David Fisher, David Hull, Gerry Hume, Peter Kaye, Jamie Kennedy, Paul Keogh, Malcolm Little, Pilar Lorenzo, Yvonne O'Keefe, Mike Pinter, Stephen Sanson, Greg Snape, Sandy Snape, Chris Sulter, David Thorne, Denise Tierney and Kerry Tozer.

I congratulate those who were formally recognised for their special contribution to the SES, without whom the SES would not be the superior service it is today. They include Neil Bridgefoot, First Local Controller; Robyn Fry, former Rescue Team Leader; Robyn Harris, former Administration Officer; Michael Hennessy, former Rescue Team Leader; Lewis Herman, former Mayor and current Mayor of Ashfield Municipal Council; Peter Head, General Manager of Leichhardt Municipal Council; Bruce Nettleton, Council Town Clerk and General Manager in former years; David Poole, first Rescue Instructor; Heather Reynolds, first Welfare and Auxiliary Officer; Carolyn Walker, Ashfield Municipal Council; Faye Yarroll, former Deputy Controller; and Stewart Yarroll, former Communications Officer.

The SES does an amazing job in our community, and on behalf of the New South Wales Parliament I urge them to keep up their excellent work. The Government and the community rely on the sensible work and practical skills of the SES to assist people who in bad times need a helping hand. For that work the SES is supported strongly by local councils and it has the untiring admiration and confidence of the people of this great State. I congratulate all of those within my electorate on receiving formal recognition for their years of tireless volunteer service. With the SES we have a much richer and spirited community, and I sincerely thank them from the bottom of my heart for their gallant and self-sacrificing efforts.

### COMBINED CARING CENTRES FOR SUTHERLAND SHIRE

**Mr MALCOLM KERR** (Cronulla) [6.14 p.m.]: Last Sunday I attended a church service for a very worthy organisation, the Combined Caring Centres for the Sutherland Shire. The House would certainly benefit from a recital of the history of that organisation. In August 1974 Mr Don McClennan, the co-ordinator of voluntary services at Sutherland hospital, chaired a meeting attended by hospital volunteers and Jannali Nightingales—now known as Jannali Neighbourhood Aid. Dr Bevan Walker, the then director of the Sutherland Hospital Rehabilitation Unit, was the speaker. Dr Walker told the meeting that the rehabilitation unit brought the patients to a point where they could go home. Most of them lived alone, but too often many were again hospitalised due to loneliness—loneliness that caused their health to deteriorate.

Dr Walker told the meeting that what was needed was a centre to which patients could be referred, where there would be social contact and caring. From that meeting a committee was formed—with Evelyn Thompson as its president and Josie Ferguson as its secretary—to organise a day care centre in Jannali. In November 1974 the Jannali Day Care Centre was opened. Evelyn Thompson is a very highly regarded citizen of the Sutherland shire, and is still very active with the Combined Caring Centres for the Sutherland Shire. The benefit of the Jannali centre, not only to the guests but also to the carers, was quickly recognised. The first male to attend soon became a happy, outgoing man with his wife having a few hours respite each week, so the lifestyle for both improved. One gentleman would take his wife to the centre, go off and have a round of golf, knowing that she was happy and well cared for.

For the most part the guests were transported from their homes by a team of voluntary drivers. Guests were served morning tea on arrival, as well as a light lunch. A small charge was made for their meals and for the purchase of needed items. Some guests liked to sit and talk, some played cards, and volunteers taught craft to those who were interested. No-one was forced to do anything, and at all times the atmosphere was happy, loving and caring. As other community groups heard of the centre, requests came to the committee to help establish more centres. Within two years, seven more centres had commenced. The community nurses became aware of the work and the Director of Rehabilitation, Dr Goodwin, arranged for the community bus to pick up guests for the centres as the numbers were growing and it was becoming more and more difficult to get volunteer drivers.

Because people thought "day care centres" meant "child care", the name was changed to "caring centres". In 1992 funds were granted from the home and community care organisation, allowing the employment of a co-ordinator in a part-time administrative assistant to administer a resource office. In 2000, funding was granted for a diversional therapist and in 2006, funding has been granted to employ an assistant co-ordinator. Volunteers hold quarterly meetings to exchange ideas and discuss problems, outings enjoyed, entertainment, and suitable speakers. Each centre is autonomous and non-profit, managing financially with raffles and small stalls. In November 2004 the Combined Caring Centres for the Sutherland Shire celebrated 30 years of service. Today the Combined Caring Centres for the Sutherland Shire is a family of 20 centres with more than 700 guests and 250 volunteers.

### PORT MACQUARIE ROADS

**Mr ROBERT OAKESHOTT** (Port Macquarie) [6.18 p.m.]: On behalf of the Port Macquarie community I express extreme disappointment at the Roads and Traffic Authority's toing and froing over a commitment given by the Minister for Roads in 2002 to improve the Oxley Highway entrance to Port Macquarie. A substantial amount of development is planned for the area between the Pacific Highway and Port Macquarie town centre. A whole new development area known as Area 13 will accommodate about 6,000 new residents for the growing population of Port Macquarie. An integral part of the development of this area is a realigned dual carriageway known as Oxley Highway—a commitment made by this State Government in 2002. Up until 12 months ago there was a substantial amount of planning work and goodwill from the RTA to ensure that the planning process continued as quickly as possible. Included in that were land acquisitions and planning with local authorities and the local community to ensure that any impacts were minimised.

We have now reached some of the more difficult parts of the planning process, which include local council being ready to put its Area 13 master plan on display. As part of that process council consulted widely with various State government departments and received a disappointing response from the RTA in relation to the 2002 commitment. I refer to what the RTA is calling an equitable contributions arrangement. The RTA is seeking to get local council and developers looking after the Area 13 master plan to use section 94 contributions to fund a road commitment made by the State Government. In other words, the Government expects the local community to pick up the bill for this development.

I do not whether there are any precedents for this but it is extremely disappointing that the RTA and the Government are allowing it to happen. The apparent goodwill for this key commitment has been lost. This priority project in the heart of Port Macquarie engendered an enormous amount of goodwill in the community. Today I ask the Minister for Roads and the Government to bring the RTA into line and to recommit, if needed, to the 2002 on-site commitment by the then Minister for Roads for the proposed Oxley Highway realignment and upgrade. The Government must take account of the master plan prepared by Port Macquarie-Hastings Council and, wherever possible, prevent any delays. To date there has been a two-year delay in relation to this project—a delay that the community has accepted.

Rightly or wrongly, the former Minister for Roads delayed a number of projects due to AusLink funding. Land is now being released and the area is being developed. It would be criminal if the Oxley Highway upgrade were one of the final projects for Area 13 when development is occurring all around the new alignment. Significant safety concerns have been expressed about the existing goat track. When the existing single-lane highway has a number of traffic movements a day equivalent to those on the Pacific Highway—around 11,000 traffic movements a day between Wauchope and Port Macquarie—it would be criminal if the State Government did not do its bit, keep to its commitment and construct a newly realigned Oxley Highway for the benefit of new Area 13, the Port Macquarie community and the mid North Coast. I urge the Government to keep an important commitment that it made in 2002 and get on with the job.

#### GOVERNMENT-OWNED INDUSTRY PRIVATISATION

**Mr PETER DRAPER** (Tamworth) [6.23 p.m.]: Tonight I raise an issue of concern to many residents in New South Wales and Australia-wide—the philosophical position whereby both Federal and State governments seem obsessed with an escalating program to privatise government-owned industry. Following the sale of icons such as the Commonwealth Bank, Australia Post and Qantas, we saw the privatisation of airports and electricity. Despite polls showing that more than 75 per cent of people across the nation opposed the sale of Telstra, the Federal Government decided to sell off its majority share. It was recently announced that Medibank Private will also face the auctioneer's hammer.

**Mr Richard Torbay:** Shame!

**Mr PETER DRAPER:** It is indeed a shame, as my colleague the honourable member for Northern Tablelands said. Despite the public opposing moves to sell these companies, the Federal Government has proceeded, ignoring concerns about service delivery, and the tendency for foreign investors to buy our icons. We have witnessed profits move offshore and local employment has been compromised. This trend seems to be continuing under the New South Wales Government with concerns being raised regarding recent discussions to sell the management rights of the New South Wales abalone industry to a New Zealand-based company, plus the proposed sale of its majority share of the Snowy Hydro Electric Scheme and the possible privatisation of NSW Forests.

Recently, the Minister for Primary Industries, the Hon. Ian Macdonald, held discussions with New Zealand abalone company Aotearoa Fisheries Limited, a multifaceted company that has consumed a number of smaller companies in its home country and now occupies a large portion of the export seafood market to Asia. While discussions continue regarding the sale of NSW Fisheries majority stake in the \$7 million a year abalone industry, it concerns many people that the New South Wales Government has a history of examining the colour of the money rather than looking closely at the long-term implications of selling off public assets.

Following close behind the announcement that the Government intended selling its 58 per cent share of the Snowy Hydro Electric Scheme, the proposal to send ownership of the abalone industry across the Tasman has sent shockwaves through coastal communities and it has also prompted residents in my electorate to express strong concerns. I have received a torrent of opposition from many farmers and communities who rely on flows from the Snowy for their livelihood. Many believe any sale throws doubt on the long-term security of their

water supply. The New South Wales, Victorian and Federal governments argue that it will allow the scheme to expand, while raising more than \$1.5 billion in revenue for New South Wales infrastructure and \$600 million for environmental and education programs in Victoria.

While most members of Parliament welcome an upper House inquiry into the sale, I share the views of Snowy residents that the inquiry's outcome is unlikely to affect the public float. Public opposition to the sale is escalating, with the Greens arranging a public rally outside Parliament House on budget day on 6 June. It is particularly galling that in a period of drought and massive water reform, any government would consider selling off water assets. Water is the greatest environmental concern in this country and is clearly our most valuable resource. With drought dominating our national landscape governments who are responsible to a constituency rather than private corporations responsible to a shareholder base should control water use and distribution.

One wonders whether the sale of the Snowy scheme will set a precedent for governments to sell other water assets to private enterprise, leading to water becoming a highly expensive and tightly controlled commodity. While the privatisation of the abalone industry and the Snowy scheme hold little immediate implications for communities across my electorate the possible privatisation of Forests NSW certainly does. Following the ascendency of the honourable member for Lakemba to the role of Premier, the Government again ruled out privatisation of its forestry operations. But, increasingly, loud whispers remain that the Government may opt for this quick-fix solution to the State's economic woes.

The value in turnover of forestry product industries in 2002-03 was \$18 billion, and State Forests and its assets are currently worth approximately \$2.6 billion to the New South Wales taxpayer. Forests NSW directly employs over 1,000 people, with more than 7,800 people employed in forest-dependent industries. This industry generates some 16,600 jobs in regional New South Wales. Plantations in the electorate of Tamworth are located at Nundle and Walcha. Industry in these areas directly employs 111 people—60 of that number at local sawmills—26 contractors and 25 within Forests NSW. A further 70 to 90 jobs are expected when McVicars sawmill opens in Quirindi.

Indirectly it was estimated in 2003 that 40 to 50 per cent of employment in Walcha shire was based around the agricultural and forestry industries, with 30 to 40 per cent in Nundle shire. Privatisation has been a matter of concern to these communities for a long time. I have had many discussions with residents over the possible implications of such a move. Walcha council remains less concerned about privatisation as attracting private investment in the local timber industry has been on its agenda for some time. However, there is no guarantee that, should industry be fully privatised, local employment would not suffer. The threat of local job losses is also an issue resulting from any sale of other government-owned industries. I request the Government to fully consider community concerns and future implications when making decisions that will affect future generations. [*Time expired.*]

**Private members' statements noted.**

**CONSTITUTION AMENDMENT (GOVERNOR) BILL**

**CONVEYANCERS LICENSING AMENDMENT BILL**

**JUDICIAL OFFICERS AMENDMENT BILL**

**SUMMARY OFFENCES AMENDMENT (DISPLAY OF SPRAY PAINT CANS) BILL**

**Messages received from the Legislative Council returning the bills without amendment.**

[*Madam Acting-Speaker (Ms Marianne Saliba) left the chair at 6.30 p.m. The House resumed at 7.30 p.m.*]

**LIEUTENANT-GOVERNOR'S SPEECH: ADDRESS-IN-REPLY**

**First Day's Debate**

**Mr PAUL PEARCE** (Coogee) [7.30 p.m.]: I move:

That the following Address-in-Reply to the Speech which His Excellency has addressed to both Houses of Parliament on opening this session of the Parliament of New South Wales be now adopted by the House:

*To His Excellency the Hon. J. J. SPIGELMAN, Companion of the Order of Australia, Lieutenant-Governor of the State of New South Wales in the Commonwealth of Australia.*

May it Please Your Excellency—

We, the Members of the Legislative Assembly of the State of New South Wales, in Parliament assembled, desire to express our thanks for Your Excellency's Speech, and to express our loyalty to Australia and the people of New South Wales.

We assure Your Excellency that our earnest consideration will be given to the measures to be submitted to us, and that we will faithfully carry out the important duties entrusted to us by the people of New South Wales.

We join Your Excellency in the hope that our labours may be so directed as to advance the best interests of all sections of the community.

I congratulate Justice Spigelman on the manner in which he carries out his responsibilities in the absence of the Governor, Professor Marie Bashir. The Governor is a hard act to follow. I am sure that every member of this House would agree that the Governor is well respected in our community for the selfless manner in which she carries out her role—which she fulfils with compassion and dignity. As many of my fellow members of Parliament will attest, it is not uncommon to see Her Excellency at multiple functions in a single day. She has a natural empathy for the diverse elements that make up our New South Wales community.

Similarly, I cannot let this opportunity pass without thanking the Lieutenant-Governor for the wise observation that he made in his other role as Chief Justice. He was reported recently as calling on all of us in this place to respect the role of the courts in the administration of criminal justice. After hearing the intemperate remarks of the Leader of the Opposition during the past sitting week, I concur with Justice Spigelman that the job of sentencing those persons convicted of a crime is best done by experienced people:

... who are not subject to the transient rages and enthusiasms that attended the so frequently ill-informed, or partly informed, public debate on such matters.

I am honoured to move the adoption of this House's Address-in-Reply to the speech delivered by the Lieutenant-Governor on behalf of the Governor on the occasion of the opening of the second session of the Fifty-third Parliament and to lead the debate on behalf of the Iemma Government. The occasion of the Lieutenant-Governor's speech was also significant in that it marked the sesquicentenary of responsible government in New South Wales. In these times when public respect for the political process and politicians is portrayed by elements of the tabloid press as being at an all-time low, it is worth remembering what a significant event the granting of responsible government to the colony of New South Wales by the British Parliament, sitting as the Imperial Parliament, was.

It is also worth recalling how significant the consequences of that decision have been not only for Australia but for the advance of democratic forms of government throughout the world. The Premier described the early days of the New South Wales legislature as a laboratory of democracy. Even a cursory glance at the advances in democratic participation in government will confirm this view. Take the extension of the right to vote—a basic element of a democratic system of government. New South Wales, by extending the franchise from the original limited franchise for male property owners to full male suffrage in 1858 and finally female suffrage for women over the age of 30 in 1902, was among world leaders in this reform.

As a result of that broadening of the franchise members of Parliament had to respond to the concerns of ordinary voters, not merely those of the rich and powerful. Concepts such as the legislated basic wage and a fair system of arbitration were two consequences. Other social reforms followed by legislation. In the 1920s under the first Lang Government the New South Wales Legislative Assembly passed a bill to abolish the death penalty only to see it thwarted by that bastion of reaction and privilege, the Legislative Council. However, the Government's solid electoral support overcame those same forces and it was successful in introducing three far-reaching measures: the Forty Four Hour Week Bill, the Fair Rents Amendment Bill and the Widows' Pensions Bill. I put it to honourable members that these reforms and the many achieved by subsequent, usually Labor, governments would never have occurred without the vigorous democratic institutions in the State.

Many of us smiled with wry amusement on Monday as Justice Spigelman recounted the issues facing that first government in 1856—shortages of skilled labour, a housing boom and the pressing need for public infrastructure. It sounded strangely familiar to our ears in 2006. It is a credit to the Iemma Government that it has responded so vigorously to those challenges. On Monday the Premier announced a significant change in our education system that will encourage pupils who want to follow a trade to commence apprenticeships and traineeships in years 11 and 12. This will be made possible through trade schools, of which 10 will eventually be established. In a very positive way the Iemma Government is seeking to address the skills shortages facing Australia. Rather than seeking to bring in overseas workers on short-term contracts and employing them at rates

below those paid to Australian workers, the New South Wales Government will train our kids so that they have secure future employment prospects and our nation will have a supply of skilled workers to maintain our economic wellbeing.

Contrast that approach with the one adopted by the Howard Government, which has actively sought to discourage young people from pursuing their career goals by making tertiary study unaffordable or by limiting the number of student places available in courses where there is a drastic skills shortage, such as nursing. While some in the community see Australia's future as being some sort of giant quarry or the provider of stable financial services to globalised business, it is the core manufacturing industries in metals and engineering, the construction industry and service industries such as hospitality and health care that will provide real employment to Australian workers.

In my electorate of Coogee, both the hospitality and retail sectors are significant employers. Frequently at meetings with various Chambers of Commerce in my electorate, I hear the refrain from members that they are having difficulty in securing suitably skilled staff. As a consequence, the skilled staff shortage is often addressed by short-term employment of travellers. This source of labour is by its very nature likely to be erratic. It is surely preferable to train our local kids in those very transportable skills that exist within the hospitality and specialised retail sales sectors of our economy.

Bordering on my electorate—and what will be within my electorate after the next election—the Prince of Wales Hospital, the Royal Women's Hospital and the Sydney Children's Hospital are major employers. Overall, in excess of 5,600 nurses have been recruited to New South Wales hospitals over the past four years. In the paediatric wards of the Sydney Children's Hospital, the efforts of the Government to attract qualified nurses is very apparent. I can only praise the incredible levels of skill and commitment displayed by nursing staff, both local and overseas recruits. But fine nurses alone cannot deliver a world-class health system. The technical equipment must also be provided.

The Iemma Government has committed to spend significant sums of money in paediatric critical care. It was my pleasure to accompany the Premier and the Minister for Health on a recent visit to the Sydney Children's Hospital, where a commitment was made to purchase specialised monitors and ventilator units for use in the paediatric and neonatal intensive care unit. The Iemma Government has also taken up the challenge to address mental health services. It is working with the other governments in Australia to develop a comprehensive national program. In appointing a Minister with portfolio responsibility for mental health, the Iemma Government has indicated its intention to focus on this area of public policy, an area that is all too often neglected. For too long, mental health services have been thrown back on to the families, supported only by voluntary and charitable organisations many of whom, I might add, do a magnificent job in a difficult environment.

In my electorate, the B. Miles Women's Housing Scheme exists to provide medium-term supported accommodation for women, without dependent children, who are experiencing a mental illness. This organisation provides an incredible level of support for those women. The goal of the service is to provide tenants with the opportunity to develop skills and confidence to live independently in the community. The support workers at B. Miles amaze me with their energy and commitment. The Department of Community Services, through the Supported Accommodation and Assistance Program, funds this facility. But needless to say more funds are always needed. With this in mind I encourage service clubs and individuals to consider B. Miles in any fundraising they might be looking at.

I take this opportunity to place on record my thanks to the newly established Coogee Lions Club that made a generous donation to B. Miles in its inaugural 2005-06 program. Similarly, to my near north, in Bondi, Fran Wooten and her team at the Norman Andrews House do miracles with minimal resources for street people who suffer from a combination of mental health and substance abuse problems. The service is financially supported by the Uniting Church, through the Chapel-by-the-Sea and Waverley Council. It is also supported by local businesses and service clubs. Many of those suffering from mental illness are either homeless or in inadequate accommodation.

The Government's commitment in public housing should bear fruit over the next few years. However, real inroads into housing availability and affordability for those most in need will not occur until the Federal Government recognises its responsibilities in this area. The consequences of the effective cessation of capital funding for new public housing since the election of the Howard Government more than a decade ago, can be seen around the streets of Sydney. The property industry also has a part to play in addressing homelessness and

lack of affordability. It is time that property developers recognised that speculative profits have a real human cost. The acquisition of a boarding house that is then demolished or converted into luxury units often means that some very vulnerable people are put on to the street.

For the information of the House, I cite one recent example. A developer submitted an application to convert a boarding house in Wood Street, Randwick, which currently has 10 boarding house rooms, into seven strata units. The residents of the boarding house are likely to be tipped out. Whether or not the proposed strata units come back on to the market as rental units, it is fair to assume that the current occupants will certainly not be purchasers and will most likely not be renters. There are few options for them in the near vicinity to find comparable alternative accommodation.

The list of alternative accommodation options provided by the developer was, in my opinion, a joke in poor taste. The majority of premises on the list were for shared accommodation, often in rented flats, simply not suitable for the average resident of a boarding house. As I have raised before in this House, the rights of boarders and lodgers must be recognised as a form of tenancy and covered by provisions in the Residential Tenancy Act. I draw to the Government's attention the recently developed Occupancy Agreement Model of legislation developed by the Tenants Union. For those in the bureaucracy and the property development industry who still argue against providing for and recognising the rights of boarders and lodgers, I refer them to the recent Australian Capital Territory legislation known as the Residential Tenancies Amendment Act.

The Iemma Government's commitment to public education is well known. The success of the program for refurbishment or rebuilding of public schools around this State is widely recognised. I doubt whether there are any honourable members in this place in whose electorate there has not been improvement made to their local schools as a consequence of that program. The importance of our highly skilled teaching staff has been recognised by the Government in agreeing to significant wages and salary increases. By undertaking negotiations under the award system, benefits flow in both directions. It makes for an interesting contrast with the approach by the Howard Government that is clearly keen to see any benefits flow only to employers. However, like our nursing and medical professionals, our teachers need the facilities and equipment to maximise the educational outcome for our children.

In my electorate of Coogee, I am fortunate to have some of, what I believe to be, the best primary schools in the State. Be it the broad educational opportunities offered by Bronte Public—my old school—Clovelly Public, Randwick Public or Coogee Public schools, all with large and growing pupil numbers, or the more personalised education provided by the smaller Waverley Public or Rainbow Street schools, what is common is the skill and commitment of teachers and provision of the necessary resources. The teachers are ably supported by the incredibly active parents and citizens associations. Having been a president of a parents and citizens association, I know very well the amount of time and commitment that is needed.

Unusually, I do not currently have any State secondary schools within the electorate of Coogee, although that will change after March 2007, when Randwick Boys and Randwick Girls schools come into the electorate. I look forward to working closely with both schools to ensure that they obtain any equipment or facilities they may need to ensure the continued high standard of education provided. In discussing education in my area, I could not fail to mention another State secondary school in the neighbouring electorate of Vacluse, a school that many students from my area attend.

That, of course, is Rose Bay Secondary College. What a magnificent achievement in State education. The two campuses of Dover Heights High and Vacluse High were first administratively amalgamated, and are now physically amalgamated on the magnificent Dover Heights High School site. The combined school, known as Rose Bay Secondary College, will have a total enrolment of some 1,250 students. Initially it was expected that it would take several years to reach that number. It now appears that it will be reached within 18 months. It is a school that provides the highest standards in public education, offering a range of educational opportunities often associated in the public mind with the non-government school sector. And the parents of the eastern suburbs recognise its benefits. The Iemma Government and the current Minister for Education, Carmel Tebbutt, stand to be congratulated on this tremendous achievement. It is something that could only have occurred under a Labor Government.

On Monday in his speech the Lieutenant-Governor made reference to industrial relations and the impact of the changes introduced by the Commonwealth. Those changes are not only inherently unfair and seek to unfairly tip the balance in favour of corporations, but they also seek to undermine the very foundations of the constitutional division of powers envisaged by the Federation. The laws, should they be upheld by the High

Court, will see vulnerable workers lose those conditions which are essential to living a dignified life, and which give them the financial capacity and the time to work in the many community organisations that provide the backbone of much of our social capital.

The Lemna Government is opposing these laws. In addition, the Government will maintain a State-based system for our many essential public sector workers. This is important in a seat like Coogee, where a significant number of workers are employed in the public sector. It is clear from the equivocation of members of the Opposition that, given the opportunity, they would sell these workers out. The Leader of the Opposition is the great equivocator on this issue. Indeed, based on the his pronouncements and equivocations on this issue, one would think he was auditioning for the role of the porter at the gate in the opening of scene III Act II of *Macbeth*. [*Extension of time agreed to.*]

I have referred previously to the many people in the Coogee area who give of their time and energy to our community. I have referred to B. Miles and others engaged in supporting the vulnerable in our community. I have referred to the service clubs, including the Coogee Lions, who have just celebrated their first birthday, and the Bondi Lions, who are about to celebrate their fiftieth. The Rotary clubs of both Randwick and Bondi Junction can be depended upon to roll up their sleeves and pitch in to help in our community. I have mentioned the parents in the parents and citizens and parents and friends associations whose energy is so important to the education of our children in both the government and non-government sectors.

But possibly one group that exemplifies this selfless commitment to the community in my beachside electorate is the surf clubs. I am honoured to have four of the greatest surf clubs on the east coast in my electorate. Three—Bronte, Tamarama and Clovelly—have already celebrated one hundred years of life-saving service to the community. The fourth, Coogee, turns 100 next year. Apart from providing essential life-saving patrols on the beaches, keeping those beaches safe for locals and visitors alike, they also provide sporting and competition opportunities for our youth. When we talk about respect and responsibility, that sense of community the Lieutenant-Governor referred to in his address, the surf life saving movement springs to my mind.

On Sunday evening I had the pleasure of attending the prize giving at the Coogee Surf Club. What a great night, and what a tremendous group of women and men, young and old, comprise that club. To give the House a few statistics: in the season just completed, the club made 75 rescues, dealt with 11 spinal injuries and took 500 preventative actions, not to mention dealing with 532 bluebottle stings. They patrolled in excess of 9,800 hours. No lives were lost during patrolling hours. That magnificent effort was replicated by the other three clubs in the electorate of Coogee. On behalf of my community, I want to place on record my heartfelt thanks to all the surf club members and in particular the hardworking club executives, trainers and assessors. The Government recognised the importance of the movement, and the clubs in the electorate of Coogee in particular, by opening the season with the Raise the Flags event at Coogee. I had the pleasure of attending this important event with Minister Sandra Nori. The Government has also given direct financial support to the clubs to assist in the recent refurbishment of the Clovelly club and in the soon to be commenced works at the Coogee club.

Much time is spent in this Chamber discussing law and order. When the Leader of the Opposition enters the debate proportionality, and often reality, go out the window. He never allows the facts to come between himself and a headline. The facts are clear. In most areas of crime, all the trends are downwards. In the most important categories of serious offences against the person, New South Wales is an increasingly safe place to live. In spite of this, many in our community feel unsafe. There are a number of reasons for that, including, ironically, the greater availability of information and the often extreme comments of the some media commentators, who seem to delight in exaggerating a single incident into a general problem.

Notwithstanding that, there is a category of crime that needs to be addressed, that is, street offences, including mindless tagging-style graffiti. Recently the Minister for Fair Trading introduced a bill that seeks to limit access to spray cans. That bill passed through this House last night. It is a welcome initiative that will, hopefully, reduce access to these products. The impact of the mindless tagging can be seen on many public and private buildings. The Coogee basin has a specific problem that arises from its 30 or so liquor licences, including two very large hotels. Into this mix is added a large backpacker tourist trade. The combination of wide availability of late-night—or, should I say, all-night—alcohol and young, usually male travellers, creates a difficult environment for businesses and residents. Rarely does a week go by without another resident or business owner raising with me problems they are experiencing due to alcohol-fuelled incidents in Coogee. These incidents range from a disturbed night's sleep, to urinating in garages, or vomiting over fences by drunken yobs, to broken windows in business premises near to one of the hotels in Coogee, through to assaults.

I have recently made a detailed submission on the draft liquor bill. I encourage the Minister and his department to consider the issues and suggestions I have raised as I believe that, if adopted, they will strengthen the community's hand in better addressing problems arising as a result of licensees who look for the dollars and ignore their broader social responsibilities. I emphasise that I am in no way being critical of the police at the Eastern Beaches Local Area Command. Superintendent Phil Rogerson and his team do a great job. The crime statistics in most categories are trending down. That demonstrates the quality of our local police and the effectiveness of their use of intelligence in targeted policing. However, there is no doubt in my mind that the job of police in Coogee is made more difficult by the impact of alcohol.

Certain licensees in Coogee could do more to assist the situation on the ground. They could change the target demographic of their businesses. Currently, by its own admission, 60 per cent of the patrons of one major hotel are in the 18 to 24 year age group. All criminological studies indicate that this is the age group most likely to engage in binge drinking and consequential drunken misbehaviour. Yet that is the admitted target demographic. In addition, the major hotels should consider reducing hours of trade, not seek to extend them. At the very least the local liquor accord should consider a more rigorous lock-down regime to prevent the drunken movement between establishments. Randwick council needs to look at the appropriateness of the current trading hours permitted in those businesses that provide early morning points of congregation for often intoxicated young males.

Public transport has received significant exposure recently. A vigorous public debate is under way, and that is to be encouraged. The Iemma Government has responded in a systematic manner to the issues identified in that public debate. There is a significant financial commitment to upgrading of the rail infrastructure of CityRail. That investment seeks to untangle the network that has evolved over the past century. There is also a massive investment in airconditioned carriages. In my seat, the major works at Bondi Junction are reaching a conclusion. Those works will have the direct effect of significantly increasing the capacity of the line. That will further encourage the already substantial use of public transport in Coogee. Bondi Junction has the best modal split of public to private transport of any urban centre in Sydney. The bus services within the electorate of Coogee and cross-country services are well patronised and reliable. Whilst many people in my electorate, including me, would like to have light rail options explored for our higher density suburbs and destinations, the Government should be commended for the quality of public transport in the electorate of Coogee.

In conclusion, I take advantage of the opportunity afforded in addressing this motion to place on the record my utter disgust that the Prime Minister of this country should seek to promote the use of nuclear power in Australia. Nuclear power generation cannot be divorced from either the lack of options for disposal or storage of highly radioactive nuclear waste or the use of enriched uranium or plutonium for nuclear weapons. Rather than confront wasteful energy practices or encourage investment in clean alternative energy sources, the Federal Government seems determined to take us headlong into the nuclear industry. My electorate of Coogee has many residents with a strong sense of social and environmental responsibility. That is reflected in their concern over this absurd suggestion. In over 23 years in public life, I have rarely experienced so many constituents in such a short time speaking to me or emailing me and expressing their disbelief that any government would seriously contemplate this course of action. I commend the motion to the House.

**Ms ANGELA D'AMORE** (Drummoyne) [8.00 p.m.]: I second the motion moved by the honourable member for Coogee. I am honoured to be the second speaker in support of the House's Address-in-Reply to the speech of His Excellency the Lieutenant-Governor on the opening of the second session of the Fifty-third Parliament of New South Wales on Monday 22 May. The citizens of this State are well served under the leadership of His Excellency the Hon. James Spigelman, AC. This year marks the 150th anniversary of responsible government in New South Wales. I thank the Premier, Morris Iemma, for the opportunity to second the motion. As the State member for Drummoyne since March 2003, I have taken great pride in representing the electorate and the residents who live within its boundaries. The needs and expectations of the local families and community are my first priority as their local member of Parliament.

We are blessed in the State seat of Drummoyne to have Concord Repatriation General Hospital, what we call the jewel in the electorate. It is a 500-bed teaching hospital, which, in recent years, has had a \$130 million capital investment to make it a state-of-the-art hospital in the inner west. Residents have always told me that ensuring Concord hospital is well resourced is a major priority. The Lieutenant-Governor highlighted in his Opening Speech the reduction in elective surgery waiting times in public hospitals. Delivering consistent high-quality health care is tough. The staff at Concord hospital know that and do it well. Throughout the past year, nurses and doctors have worked hard to reduce the amount of time patients spend in the emergency department before returning home, or being admitted to hospital for further checking.

This year there has been a dramatic reduction in Concord hospital's waiting lists, despite record numbers of patients seeking emergency treatment and an ageing population requiring greater care. The number of patients waiting for more than 12 months for elective surgery at Concord hospital has been reduced by 75 per cent, from 336 patients in March 2005 to 84 patients in March 2006. In March 2006 there were 2,216 attendees at Concord hospital emergency department, an increase of 9.3 per cent on the same period last year. Concord hospital also is experiencing an increased number of more serious cases presenting to the emergency department—in fact 2.1 per cent more than for the same period last year. The total surgical waiting list at Concord hospital has been reduced by 8.5 per cent between March 2005 and March 2006.

The dedicated and hardworking staff at Concord hospital deserve credit for this great achievement. I commend the General Manager, Danny O'Connor, and the Director of Nursing, Merrita Richardson, for their outstanding leadership. But this also illustrates that the Iemma Government's \$115 million Predictable Surgery Program to target elective surgery waiting lists is getting results. I note my disappointment at the Opposition for trying to smear the reputation of this wonderful hospital by suggesting that elective surgery lists have not been reduced. While the results at Concord hospital are encouraging, there is always more work to be done. I have always been a strong advocate of nurses, having been an officer of the New South Wales Nurses Association prior to becoming a member of this House.

I hope that one day the Federal Government will recognise the benefit of increasing registered nursing positions at our local universities, rather than starving the public health system of registered nurses. However, I commend the State Government for having the highest paid nurses in Australia. They deserve every cent they get and more. The number of open beds at Concord hospital has grown, as has the number of outpatient services provided by the hospital. The new \$7.5 million aged care precinct, which opened at Concord hospital in December, will enable residents to access aged care services locally. The high-quality research and care at the hospital will help ensure that local elderly residents have the healthiest future.

The new aged care facility includes 100 aged care beds; a day hospital offering physiotherapy, occupational therapy, social work and speech therapy; clinics for bladder problems, bone and joint services, amputees, Parkinson's disease and chronic pain management; and a community aged care and rehabilitation service. Our seniors represent approximately 12 per cent of the population. They deserve the best possible care, and I will always ensure they get it. A much-needed \$2.8 million magnetic resonance imaging [MRI] machine was installed at the hospital, eliminating long waits for patients who required access. The MRI machine is used to produce a three-dimensional computer image of organs, muscles, nerves and body tissue to reveal tumours and other conditions that otherwise are undetectable. The MRI machine can also be used to explore brain function and structure, leading to more accurate diagnoses in psychiatric conditions.

I commend the work of Dr Lloyd Ridley, Director of Radiology at Concord hospital, for his commitment. We have all been touched by a family member or friend who has cancer, but the difference in the inner west is that we have a \$13.5 million cancer research unit, headed by Professor Clarke, to test new cancer drugs and complementary therapies, and to undertake clinical trials to give our loved ones the best chance of survival. I also thank the director of the burns unit, Dr Maitz, and his multidisciplinary team, which is considered by his colleagues to be one of the best in Australia. They did amazing work in looking after the burns victims after the Bali terrorist bombings, and Sophie Delezio. I acknowledge that the State Government has provided an additional \$500,000 to open an extra theatre in the Concord hospital burns unit.

This year at Concord hospital the Premier, Morris Iemma, announced, in the presence of Bernie Banton, a tireless asbestos campaigner and a victim of asbestos-related disease, the construction of a \$6.9 million laboratory at the hospital to research asbestos-related diseases. The state-of-the-art facility will be located adjacent to the Anzac Research Institute and will conduct clinical research into more effective treatment, early diagnosis and increased life expectancy for sufferers. Asbestos was a common building material for decades, and it is still present in many thousands of homes and other buildings around New South Wales. Each year another 350 new cases of asbestos-related disease are diagnosed in New South Wales, even though the widespread use of asbestos in New South Wales ceased in the 1980s. It is expected to be 30 years before the number of new cases starts to fall.

The construction of a research institute is a practical and compassionate initiative to help alleviate suffering, find better treatments and work on early diagnosis. It is anticipated that the Asbestos Diseases Research Institute will focus initially on developing non-invasive blood tests for asbestos-related cancers, establishing the biological role of potential new co-carcinogens in the development of asbestos-related cancers, and increasing life expectancy and the more efficient and effective use of health resources. New South Wales government agencies also have an important leadership role to play in ensuring compliance with their obligations when asbestos is discovered or disturbed during capital works upgrades.

Australia has one of the highest rates of asbestos-induced diseases in the world, and New South Wales has the highest number of cases in Australia. Asbestos was used widely throughout the last century, particularly in manufacturing, building, construction and refinery processes. A new charitable foundation will be established to operate the new research institute. I thank Russ Collison and Nick Allen from the Australian Workers Union, Paul Bastion from the Australian Manufacturing Workers Union and Andrew Ferguson from the Construction, Forestry, Mining and Energy Union for their work on and commitment to this issue.

The Iemma Government's commitment to upholding the highest standards in a quality learning environment is certainly evident in schools within my electorate. The New South Wales Government has a proud history of providing the best possible education for our children, resulting in some of the highest leading benchmarks in the world. One of the keys to our success is our commitment to providing the best possible learning environment, coupled with highly trained teachers, the teaching of a robust curriculum and capital investment. That commitment is evident in the \$10.1 billion that will be spent on education and training in New South Wales in this financial year alone. Drummoyne schools have been the big winners from this commitment. We have received close to \$1.3 million in capital works grants in the past six months, with more to come.

Some \$218,907 has been allocated to 11 public schools to provide proper support programs for students with special needs. Schools can use those funds for extra teacher time, to employ teachers' aides, or for additional training to assist their staff. An increasing number of students with disabilities are seeking enrolment in regular classes in regular schools. I am committed to meeting the needs of all students with disabilities. Unlike the Liberal Government, which shut two local schools in my electorate—Drummoyne Public High School and Lucas Gardens Disability School—during its last term in government, the Iemma Government continues to provide capital investment to my local public schools.

The projects include \$150,000 for a toilet upgrade at Concord Public School, \$134,280 for a security fence and \$415,000 for lift installation at Concord High School, \$60,000 for an upgrade of the school entrance and signage at Five Dock Public School, \$50,000 for a covered outdoor living area at Mortlake Public School, \$100,000 for a library and administration office upgrade at Drummoyne Public School and \$30,000 for a site development plan at Dobroyd Public School. I am delighted that work on those important projects has begun at schools in Drummoyne. However, I will continue to identify school capital works requiring funding and lobby the Minister for Education and Training to secure those funds for our local school students. I look forward to further funding in the upcoming budget.

**Madam ACTING-SPEAKER (Ms Marie Andrews):** Order! There is too much noise on the Opposition benches.

**Ms ANGELA D'AMORE:** The Iemma Government is also meeting its commitments to catholic school education. I was extremely pleased to receive confirmation from the Minister for Education and Training of provision of assistance under the State Government's School Building Interest Subsidy Scheme to All Hallows Catholic Primary School, Five Dock, which will be provided with subsidies totalling up to \$800,000 to meet the construction of two activity areas, administration and staff facilities, and storage areas. I commend the principal, Lea De Angelis, and staff for their outstanding work in educating our local children.

Recently Domremy College, Five Dock, received more than \$21,000 from the New South Wales Government under the scheme for the refurbishment of the main building, senior block and science laboratories. I thank the principal, Mrs Vicki Lavorato, for her contribution to this wonderful Catholic girls school. I was able to inspect the upgrades at the Mother's Day Mass I attended on Friday 12 May at the school. The interest subsidy scheme is vital to our local Catholic schools to assist in funding approved capital works to provide increased places and associated buildings.

**Madam ACTING-SPEAKER (Ms Marie Andrews):** Order! There is too much noise on the Opposition benches. Opposition members will have an opportunity to contribute to the debate at a later stage.

**Ms ANGELA D'AMORE:** An additional 11 teaching places have been created, and three new classrooms built in the Drummoyne electorate as part of the Iemma Government's landmark class size reduction program. Schools to receive the new classrooms are Concord West Public School and Strathfield North. In 2003 the New South Wales Government pledged to reduce class sizes for kindergarten, year 1 and year 2, to ensure that our youngest students get the highest standard of education.

The Iemma Government's class size reduction program represents a \$650 million investment in the State's public education system. Our children have been given a head start in life as a result of that initiative.

The first three years of school are very precious, with children learning fundamental skills such as reading, writing and arithmetic. For decades to come, the community will benefit from this significant investment in the early years of schooling. Giving our children a head start is the best possible investment we can make. The feedback I am receiving from teachers, parents and principals is that the reduced class sizes are improving classroom morale, education standards and the care that each student receives.

Recently the Premier announced funding of \$80 million to create 10 new dedicated trade schools with school-based apprenticeships and traineeships for Higher School Certificate students. It is a well-known fact that our economy is facing skills shortages in groups such as carpenters, chefs, automotive technicians, sheet metal workers and aged care workers. Our local schools can play a vital role in making sure that we have a skilled work force in those fields. The trade schools will be attached to existing high schools and TAFE colleges, and will allow students to take part in school-based apprenticeships or higher-level training while completing their Higher School Certificate. That means that New South Wales will have job-ready graduates available more quickly to work in areas in which there are key shortages. That will build on the Government's existing support of apprenticeships and traineeships in New South Wales.

This year EnergyAustralia welcomed 144 new apprentices at Homebush in my electorate. Residents from the inner west are part of the largest intake of apprentices ever for that company. We are facing a severe skills shortage in trades right across the country, and it is great to have EnergyAustralia plugging the skills gap by employing and training our young people. Apprenticeships are a great way for young people to learn new skills and develop long-term careers. Local workers will be employed in frontline services, such as power pole and electrical wires maintenance. The apprentices will have the opportunity to train as line workers, electricians, cable joiners, motor mechanics and vehicle body builders. It is a great opportunity for young people to be part of a leading company in a growing industry, and to continue to do their region proud.

I was pleased to attend the intake of apprentices at Homebush only a few weeks ago. I welcomed local apprentices Chad McCullum from Haberfield, Daniel McRimmo and Sergei Zaitzev from Ashfield, and we were able to witness first-hand training sessions and a demonstration of the nature of work and safety procedures. Special thanks go to the managing director of EnergyAustralia, Mr George Maltabarow; the technical trainer, Mr Aaron Carter; and Mr Anthony O'Brien. At Rhodes in my electorate, we also have the Corporate Partners for Change Program, which is an initiative of the office of the Minister for Western Sydney, in partnership with the Department of Education and Training, the Electro Skills Centre and the Electro Group, industry, the unions and the community.

Training funds are provided by the New South Wales Department of Education and Training. Graduates are employed in electrical trades, disability work, business administration, aged care and nursing, and child care, thereby helping employers to meet a growing demand for skilled staff. In May this year the Minister for Western Sydney and I visited a group of apprentices who had begun the electrical trades course under the Corporate Partners for Change Program, which has launched careers for more than 460 people in a variety of industries. In the past seven years the Rhodes Electro Skills Centre has hosted 12 courses for over 150 Western Sydney young people. I acknowledge Norm Cahill from the Electro Group for his commitment to the program.

Almost 120 graduates have been employed in the industry as a direct result of the program, which is an outstanding result for an industry that is facing real skills shortages. The program has a remarkable 80 per cent employment success rate due to its strong link with companies that have helped to design the training content and offer real job opportunities. The program also has the strong involvement and backing of the Electrical Trades Union. The training and on-the-job work experience ensures that graduates have high prospects for jobs with corporate partner employers who need skilled workers. The corporate partner, the Electro Group, has helped to design the training and to select students for the current program. The company is a host employer which contracts out successful graduates to other partners including Integral Energy, EnergyAustralia, Agility Services, Sydney Water, O'Donnell Griffin, K. R. Sheathers, FDC Technologies and the Rail Infrastructure Corporation. I look forward to attending many more graduations.

There are many stories in my local area of residents requiring home and community care services such as Meals on Wheels, domestic assistance and transport. The Lieutenant-Governor referred to the Iemma Government's strong commitment to providing \$178 million to facilitate the provision of such services. In New South Wales there are 178,000 vulnerable people with a disability, as well as the frail aged and their carers. The frail aged and people with a disability in my electorate will benefit following the release of \$90,000 for local home care services. Under the recurrent growth funding for the Home and Community Care [HACC] State plan, some agencies will be able to do more to help the most vulnerable in my local community.

The Wesley Home Maintenance and Modification Service has received \$50,000 to make people's houses safer through the installation of equipment, such as railings and hoists, and the Uniting Church of Australia in New South Wales has received \$40,000 to provide social support services. The extra funding will ensure that those organisations are able to deliver as much assistance as possible to frail older people and people with a disability in my electorate. This program helps to create caring communities and fulfil the wishes of all New South Wales residents, as well as people with a disability who are increasingly seeking to live as independently as possible while maintaining a good quality of life. The program includes \$9.8 million in recurrent growth funding to enable 199 HACC service providers to improve the level of support they are able to offer across the State. This represents an increase of 11.8 per cent over the 2004-05 budget and a four-year enhancement of \$221 million.

His Excellency referred to the Government's commitment to securing the State's water supply, which is an important issue for our local communities. A detailed plan by the Iemma Government to secure this State's vital water resources, including a massive increase in water recycling, is welcomed. I welcomed a visit from the Minister for Water Utilities to one local school in my electorate, the Abbotsford Public School, which recently installed a rainwater tank. Since the Rainwater Tanks in Schools Rebate Program began in April 2004, 82 schools have installed rainwater tanks.

**Mr David Campbell:** And what a fine public school it is.

**Ms ANGELA D'AMORE:** The Minister is right. Schools have received \$200,000 in rebates and are helping to save 17 million litres of water a year.

*[Interruption]*

The Leader of The Nationals should be ashamed of himself.

**Mrs Shelley Hancock:** He isn't.

**Ms ANGELA D'AMORE:** The Leader of The Nationals can speak for himself. He does not need a woman speaking for him. The Government is giving schools across Sydney additional help to install rainwater tanks as a practical way of saving precious drinking water and teaching students how to use water wisely. During the past four months an additional 45 schools have received rebates of up to \$2,500 for installing rainwater tanks. Recent changes to the program have helped more schools to install tanks. The Rainwater Tanks in Schools Program is part of the Government's plan to help to save more than 145 billion litres of water a year. *[Extension of time agreed to.]*

I encourage as many schools and householders as possible to take part in the rebate program to help to ensure the long-term security of our water supply. I am pleased to note that the Russell Lea Infants School was one of the first sites in the electorate of Drummoyne to install a rainwater tank. I also note that only two weeks ago the school celebrated its seventy-fifth anniversary. I took great pleasure in officially opening the school's fete on 13 May. The school is one of the few remaining infants schools in the State. I extend my congratulations to the principal, Lesley Pike, who recently celebrated her thirtieth anniversary as a teacher and principal at this wonderful local school. What a marvellous achievement! The people of the Drummoyne electorate have done a great job in helping to save more than 150 billion litres of water over the past two years. In the suburbs of Haberfield, Drummoyne, Concord and Five Dock, to name a few suburbs that have received pipe upgrades in the Drummoyne electorate, 2,150 metres of pipes will be replaced through a capital investment of \$1.2 million by the State Government. That upgrade will mean a more reliable network of pipes throughout the electorate and less water lost from leaks.

The electorate of Drummoyne has enjoyed a housing building boom due to industry being moved from our wonderful foreshore and given back to our local community. Since July 2004 all new homes and community estates have been required to implement the building sustainable index program, which ensures that each new home that is constructed will reduce mains water use by 40 per cent and greenhouse gas emissions by 25 per cent. People are free to choose how they meet the target. They may install a combination of rainwater tanks, dual-flush toilets or water efficient shower heads and fittings. I certainly welcome the implementation of programs that encourage recycling and effective water usage, rather than wastage.

I commend the Lieutenant-Governor for highlighting in his speech the State Government's challenge in the High Court to the Commonwealth's WorkChoices laws. The battle the New South Wales Government is

currently engaged in with the Howard Government over the Federal Government's radical workplace changes is the most important battle since Federation. At stake is our social fabric, which is based on the principle of the fair go, and the lifestyle and living standards of millions of Australian workers and their families. For the first time in our history, we risk delivering a workplace to our children that is in worse shape than the one we inherited. The New South Wales Government is taking a stand of behalf of New South Wales workers and their families because John Howard's ideological crusade will reduce the level of real wages through the low pay commission; remove penalty rates, shift loadings, holiday leave and other entitlements; remove protection against unfair dismissal; remove protections for vulnerable workers, including protection from exploitative arrangements; and severely limit the independent role of the Industrial Relations Commission and its exercise of broad dispute-settling powers.

That is why the Iemma Government initiated a High Court challenge against the WorkChoices laws. We have now been followed by all the other States and Territories, as well as unions in New South Wales and Queensland. We are united in our opposition to those laws. We believe that they are bad laws not only in their operation and effect but also because they are invalid and not permitted by the Constitution of this country. The ultimate opposition to WorkChoices is the High Court challenge initiated by the New South Wales Government.

For more than a century national industrial relations laws have been based on the constitutional power intended for that purpose. The interaction of the State and Federal industrial relations systems has given this country a system of fair, sustainable and productivity enhancing awards and agreements. Awards and agreements are made to fit the needs of the industry or occupation with which they are concerned. This is to be contrasted with the one-size-fits-all approach inherent in the establishment of five minimum conditions in the Howard Government's WorkChoices legislation.

The New South Wales Government is represented by a high-powered legal team that will argue that the corporations' power cannot be read in such a way as to support the WorkChoices legislation. A decision is expected at the end of this year. Many nurses from the private sector have approached me because they are concerned that, under WorkChoices, achieving wages and conditions parity with public sector nurses in our public hospitals will be almost impossible if the State Government loses its ability to negotiate public hospital nurses terms and conditions. Yesterday I saw an article stating that child care workers are being paid up to \$313 a week less than they were promised just two months ago. Operators of Childs Family Kindergarten, which runs 37 centres across New South Wales, are offering employees contracts that cut between \$138 and \$313 from their weekly pay, as the Liquor, Hospitality and Miscellaneous Union President, Mr Jim Lloyd, has said.

It was only two months ago that almost 15,000 child care workers won a minimum pay increase of \$86 per week after the Industrial Relations Commission found that the pay of workers in the female dominated industry was undervalued. New Federal workplace laws are allowing employers such as private sector child care operators to offer Australian Workplace Agreements, deny child care workers pay increases, and remove sick leave entitlements, rest breaks, annual leave loading, supervisor allowances, first aid allowances and overtime provisions.

My experience with the Office of the Employment Advocate is that it is a joke; it is simply a rubber stamp to lower workers' terms and conditions of employment by effectively lowering the principles of the no-detriment test of the State Industrial Relations Commission when determining awards and enterprise agreements. I say this with great confidence, as I negotiated many enterprise agreements on behalf of nurses. I understand the system well as I worked within its parameters for many years. In his Opening Speech the Lieutenant-Governor also outlined the Government's achievement in announcing 11 tax cuts in nine months.

**Mr Andrew Stoner:** Point of order: The standing orders provide that members may refer to copious notes but should not read from a prepared speech.

**Madam ACTING-SPEAKER (Ms Marie Andrews):** Order! There is no point of order.

[Interruption]

**Madam ACTING-SPEAKER (Ms Marie Andrews):** Order! The Leader of The Nationals will resume his seat. He will have an opportunity to contribute to the debate at the appropriate time.

[Interruption]

**Madam ACTING-SPEAKER (Ms Marie Andrews):** Order! The Leader of The Nationals will resume his seat. The honourable member for Drummoyne may continue.

**Ms ANGELA D'AMORE:** In August 2005 Premier Iemma announced the abolition of the 2.5 per cent vendor duty tax. He made that announcement at Breakfast Point, in the electorate of Drummoyne, and I thank him for that. That was a welcomed tax cut after months of lobbying by many Labor backbenchers, including myself. Residents and investors had told me that the tax was a handbrake on the economy and a burden on first home buyers and small investors.

The second welcomed announcement by the Iemma Government was the reinstatement of a tax-free threshold of \$352,000 in relation to land tax. That legislation will mean that 2,334 fewer properties will be liable for land tax in the Canada Bay local government area. That is great news for thousands of mum and dad investors who have made modest investments in properties. It provided a further \$53 million in land tax relief to New South Wales residents.

The seat of Drummoyne has an extensive small business sector with the Victoria Road-Lyons Road shopping strip at Drummoyne; the Great North Road, Five Dock, shopping strip; the shopping strip of Majors Bay Road, Concord; Ramsey Road, Haberfield; and the newly built Rhodes Shopping Centre. The 15 per cent reduction to workers compensation premiums by the Iemma Government was welcomed by many small businesses in my local area. It means that 250,000 employers in New South Wales will share in a \$290 million reduction in premiums per year, with 92 per cent of New South Wales employers now protected from an increase in their workers compensation premiums. This shows that the Iemma Government is working hard to reduce the cost of doing business in New South Wales.

Recently I attended a business dialogue luncheon with the Minister for Small Business. Many small businesses have complemented the State Government on reducing workers compensation premiums. They could see the benefits. The directors of the IGA Supermarket at Breakfast Point, Tim Prichard and Richard Barkus, who provide employment for 70 people, were more than happy to welcome this announcement on site on 29 March 2006 with the Minister for Commerce, John Della Bosca, and Premier Iemma. Businesses such as the IGA Supermarket at Breakfast Point will see a benefit to their bottom line with the reduction in workers compensation premiums. The New South Wales scheme has a target premium collection of 2.17 per cent of wages, which makes it the third-lowest of the eight State and Territory jurisdictions.

In late March 2006 the New South Wales Government and Clubs New South Wales agreed to new gaming tax rates to apply to poker machine revenue in clubs between 2006-07 and 2011-12. That arrangement will assist many of my local clubs, such as Five Dock RSL and Concord RSL. The Drummoyne Sailing Club Manager, Ben De Graf, had on many occasions brought his concerns in relation to the poker machine tax to my attention and is a strong advocate on behalf of the Drummoyne Sailing Club membership. He has certainly welcomed this announcement.

I thank also the General Manager of Canada Bay Club, Nabel Scrawan, for sending a letter to the club's membership welcoming the reduction in poker machine tax. Under that package, clubs with a poker machine profit of \$1 million or less will now pay no poker machine tax, which I think is a great victory for our smaller community clubs. That means that nine clubs in the seat of Drummoyne can now earn up to \$1 million in poker machine revenue and not pay a cent in tax. That tax cut can now be reinvested in member services and facilities.

The Inner West Community Cabinet held an afternoon tea at Drummoyne Rowing Club on Wednesday March 21 2006, where the Premier and Cabinet Ministers were able to meet and greet more than 80 members of my local community. It is my understanding that that was the first time that residents in the seat of Drummoyne had had such an opportunity, and I thank Cabinet for agreeing to my request. It is very important to me that my local residents have access to Government Ministers, which allows them to raise issues that are important to them. It is part of responsible government to hear at first-hand of concerns and issues from everyday people. My residents told me that was the first time they had had such access to government and how much they enjoyed the afternoon. I thank Molly Wark and Professor Christine Deer for attending the afternoon tea and for their kind words.

The Cabinet meeting also gave us the opportunity to honour and recognise two members of our local community with the Premier's Community Service Award. The Premier presented Mr Rusty Priest, OM, with the award for his tireless work with the veterans' community, and Dr Kritharides was honoured for his groundbreaking research on cardiovascular disease at Concord hospital. I extend my thanks on behalf of the Cabinet and my local community to the General Manager, Mr Lew Gemell, and the President, Mr Jeff Andrews, of Drummoyne Rowing Club for their hospitality.

The last point I wish to touch on is the GST distribution by the Federal Government to the people of New South Wales. We all know that the people of New South Wales are being ripped off by the Federal Government to the tune of \$3 billion each year. Imagine what New South Wales could do with the additional \$3 billion we pay every year! But it is not returned to us. We could, for example, improve and increase public transport, an issue that is frequently raised by local residents—and so it should be. We could halve land tax, provide more incentives to cut payroll tax and bring a lot of our capital projects forward. That would benefit every member of this Chamber, whether Labor, Liberal or Independent. It is sad that members opposite do not realise that. The Federal Government has kept this money, and it has hit the public a second time at the cost of State grants by forcing everyone to pay GST.

I turn now to the New South Wales Government's record. New South Wales continues to cut taxes, but the Federal Government continues to increase them. The simple fact is that the Iemma Government has abolished more taxes, although the Federal Government continues to short-change us by \$3 billion in GST revenue. That tax rip-off allows Howard and Costello to create an illusion of economic management, but that is not the reality. Their budget surplus hides a legacy of missed opportunity and stalled reform, particularly in the areas of roads and public transport.

John Howard and Peter Costello take more tax from average families than they need and then force those families to line up and hold out their hand to get some back. We have a Federal taxation system that puts everybody on welfare. The Family Payments system, in particular, is a disgrace. The Liberal Party talks about low taxes, small government and dignity for average families, but it has created a massive bureaucracy devoted to making all families welfare dependent. Businesses battle through thousands of pages of tax regulation. Real tax reform requires the Federal Government to take responsibility for taxation, not hide from it. I commend the motion to the House.

**Mr ANDREW STONER** (Oxley—Leader of The Nationals) [8.30 p.m.]: It is a pleasure to be given an opportunity to speak on the occasion of the sesquicentenary of the New South Wales Parliament. We have come a long way since 1856, which was when the people of New South Wales elected their first Parliament under what is said to be a system of responsible government. Some of the first steps to Australia's foundation took place right here in New South Wales. Once the Constitution was drawn up for this Parliament, increasing the authority of what was then the colony of New South Wales, we were well on our way towards implementing the great ideals of democracy and putting them into place to decide upon our own affairs.

In this Parliament today we stand at the historic heart of Australian self-determination. The ability of Australians to help themselves, rather than rely on the goodwill of others, is a value that stands strong in this country today. Some might argue that in the past and in the present there is no more important place in New South Wales than this House, as this is where decisions are made for the people of this State to live by. It is a privilege to be part of this proud process and I look forward to being part of it for a long time to come.

I state for the benefit of future generations who might read this speech that it is an honour and a privilege to be a member of the New South Wales Parliament representing the electorate of Oxley. With its pristine beaches and outgoing people, Oxley is the premier electorate in what was once the premier State. I add that by this time next year Oxley will have been demoted. It will no longer be the premier electorate; rather it will be the deputy premier's electorate in a Debnam-Stoner government. We will again make New South Wales the premier State of Australia. Looking back, 150 years is a long time. Over that time this House has certainly seen its fair share of fine representatives.

As the Leader of The Nationals, it is appropriate that I take this opportunity to remember the fine contributions that country-based members, particularly the Country Party, the National Country Party and Nationals members, have made to this House. Since its formation in 1922, this great party has fought to protect the interests of rural and regional Australia. While the world has changed significantly in the subsequent 84 years, The Nationals' reason for being has not. We formed as the coming together of a loose coalition of country Independents who realised that they could best deliver for their communities by working as a team. It is only with a united front that we can apply the sustained pressure needed on a Sydney-centric administration to achieve real and long-lasting results. Honourable members should reflect on the words of our first leader, Sir Michael Bruxner, who said:

This Party was the only one which had grown from a policy; all the others had built up organisations and looked for a policy.

Its policy was to look after and better the interests of country New South Wales. Sir Michael also set a high benchmark for the party, one that is equally as applicable in 2006 as it was in 1926. He said:

We are one of the fortunate peoples on God's earth. We have the most wonderful country and climate and it will be our own fault if we do not keep it worthwhile.

I am often asked, as are all members of Parliament, why I entered public life. I think these words offer as good an answer as any. New South Welshmen and Welshwomen are amongst the most fortunate in the world. We enjoy economic prosperity, freedom from tyranny and war, a natural environment that is second to none, and a healthy and vibrant democracy. When I was growing up my father told me, "Andrew, this is the best country in the world." He had trained in Canada and fought during the Second World War in bomber crews in Europe, in North Africa and also in Burma. He had travelled extensively, so he was well placed to make that comment.

I firmly believe that we in New South Wales live in the best part of the best country in the world. The Nationals in New South Wales will fight for this generation and for future generations to protect our great blessing. By doing so we confront a number of challenges. I said earlier that The Nationals have always rallied against a Sydney-centric view in government. Over time we have certainly had our challenges. Speaking generally we must recognise the nature of representing constituents in places so far removed from the halls of Macquarie Street. The lengthy time travelling on unsafe roads and extended time away from family made representing the country a very tough task indeed.

However, The Nationals members always knew that it was a worthwhile task to take the bush to the city. Our party has always been prepared to make those sacrifices. Thankfully, advances in technology have made distance and time less of an issue than they were in the early years of the Country Party and subsequently the National Country Party, the National Party and The Nationals. But things can still be tough. Just as our earlier members showed the way, our current team relishes the job and looks at these challenges as an opportunity. If the challenge of being in two places at once—in Sydney and back home in the country—is an issue for us, we know it is something we need to do to save our core constituencies from having to do it, and we will fight hard to do this to the best of our ability.

I will now refer to some specific challenges that we have faced over time and that we will continue to face. One notable fight was against the electoral legislative changes rammed through in 1979 by Labor Premier Neville Wran. Those changes abolished the weighting of rural electorates where the maximum permitted variation from the quota was fixed at 10 per cent. That change was put in place to disadvantage the only party that truly stood for country New South Wales and, in doing so, it made the battle to represent rural and regional New South Wales all the harder. Country members are forced to represent large areas and towns and cities that often share little in common.

One example is the electorate of Murray-Darling, which I visited just recently for AgFair in Broken Hill and a number of other events. That huge electorate encompasses the predominantly mining town of Broken Hill but also agricultural towns such as Wentworth and Bourke. There are clear challenges in representing such diverse constituencies. Ultimately, it is to the detriment of the communities that comprise rural New South Wales, who find it more difficult to access their parliamentary representatives than do people living in compact, accessible city electorates.

Unfortunately, it is evident from the Lieutenant-Governor's Speech on Monday that little has changed under the current Labor administration. Non-metropolitan New South Wales continues to be overlooked and ignored by this Labor Government. The Lieutenant-Governor talked about the need to pay attention to the needs and growth of Newcastle, Wollongong, Gosford, Parramatta, Liverpool and Penrith, but he neglected to mention some of the fastest growing regions of New South Wales, including the beautiful North Coast and towns such as Tweed Heads, Lismore, Ballina, Byron Bay, Nambucca Heads in my electorate, Hastings and Port Macquarie, not to mention the South Coast, where growth is also strong and the challenges of growth are equally important.

The myopic outlook that is so typical of the Sydney-centric administration only serves to entrench the idea that NSW stands for Newcastle, Sydney and Wollongong in the eyes of this Labor Government. This is a theme that plays out far too often in this Government's policies. It continually overlooks and ignores the issues in rural and regional Australia. That is why The Nationals strongly oppose Labor's rushed fire sale of Snowy Hydro Limited. The Snowy scheme was visionary for its time. It involved a massive infrastructure investment that has paid off for subsequent generations and is set to pay off for many more to come. The scheme was built with blood, sweat and tears—indeed, 130 or more workers died during its construction. The scheme controls the management of water as well as peak power in this great State of New South Wales.

Some country-based Government members who call themselves Country Labor members have made some disingenuous remarks about the sale of Snowy Hydro. For example, the honourable member for Monaro

says in his electorate that he is not in favour of the privatisation of Snowy Hydro Limited. However, when given the opportunity in this place to oppose or halt the sale pending the outcome of the parliamentary inquiry The Nationals established, he has consistently failed to do so. He has not crossed the floor; he has voted with his Sydney-centric colleagues.

Today the honourable member for Monaro said on the 8.30 a.m. news on ABC Radio South East that although he professes to oppose the sale he has registered to receive a copy of the prospectus and is considering buying shares in the company. Country people do not want to hear that from someone who represents them and their interests. The honourable member for Monaro said earlier today by way of personal explanation that he would definitely not buy shares. But during the 8.30 a.m. news on ABC Radio South East he said:

From my point of view for someone who is so vehemently opposed to selling the thing, I guess I'm not sure whether I'll end up buying shares or not, but that's a decision that everyone should make for themselves.

That is about as clear as porridge. Is the honourable member for or against the sale? If he intends to obtain the prospectus and is considering buying shares, he must not be too opposed to it. He continued:

But there's a lot of people in the community who have said to me "I don't want you to sell Snowy Hydro, but if it's sold I'm interested in buying shares" and that's a perfectly legitimate decision for people to make.

The honourable member for Monaro has failed to make good on the promises he has made in his electorate and to vote against the sale of Snowy Hydro Limited in this place, but he is interested in purchasing shares in the company. He is trying to spin his way out of trouble. If he sits on the fence for much longer he will surely do himself a damage. In representing country New South Wales The Nationals are absolutely opposed to the rushed fire sale of Snowy Hydro Limited. The Government is supporting the sale for all the wrong reasons. Its support has to do with the budget crisis of the Government's own making and its inability to control expenditure in this State. The sale of a great income-producing asset such as the Snowy Hydro scheme would be a travesty.

But, as I have said before in this House, what can we expect from a Government that takes its lead from the six o'clock news? Do we need to force regional issues onto the Premier's Sydney television set before he will sit up and take notice? Last week I launched a petition calling for more police in regional New South Wales. Law and order is a major issue confronting country New South Wales. In April this year a University of New England academic, Professor Kerry Carrington, published a book entitled *Policing the Rural Crisis*. She found that rural communities have rates of violent crime that are well in excess of the State average. This research comes on top of anecdotal evidence that country members hear every day from their constituents.

The great irony is that against this backdrop of increasing crime, the Labor Government has cut police numbers in country areas. Since 2003 more than 600 police have been cut from police stations across New South Wales, and more than half of those cuts have been made in police stations outside Sydney—even though country areas constitute only one-third of the State. Clearly, rural and regional New South Wales are being forced to pay for the Iemma Labor Government's financial mismanagement and looming budget crisis. But of course the Government's neglect of regional New South Wales is not limited to policing. If the Premier and his Ministers took the time to travel within the State rather than abroad they would realise that there is a health crisis across New South Wales. And no-one is feeling this more than our country hospitals.

As recently as March, hospitals such as Kempsey in my electorate of Oxley had a waiting list of more than 254 people. However, this outrageous figure was dwarfed by the waiting lists of 1,238 at Lismore hospital and 1,707 at Coffs Harbour hospital. These unfortunate results were delivered by a party that rode to power on the back of a commitment to halve hospital waiting lists. Whilst the current Premier governs by, and for, his political base in Western Sydney and continues to distance himself in the media from the failings of his predecessor in this area, all of us in this place know that he cannot escape the failures in Health because he was the Minister for Health from April 2003 until he became Premier.

Another area of neglect is country roads. Roads and Traffic Authority statistics reveal that more than 60 per cent of road fatalities occur on country roads. There must be an improvement there. We can begin by spending more on capital works and less on a bloated bureaucracy that has removed itself from its core business of building new roads. Unfortunately, according to a document leaked from the Treasurer's Office, the recent commitment by the Minister for Roads to finally install flashing lights in school zones across New South Wales will be met at the expense of capital works on roads elsewhere in the State. That is an absolute disgrace. The Government should find new money to fund the installation of flashing lights in school zones. That work cannot take place at the expense of improvement to existing roads, particularly country highways, on which too many people are dying.

As Leader of The Nationals I give my word to country and coastal New South Wales that a Nationals-Liberal Coalition government will ensure that NSW stands not just for Newcastle, Sydney and Wollongong but for all of the State. Under a Debnam-Stoner government NSW will stand for Narrabri, Southern Highlands and Wilcannia; Nambucca, the Snowy and Wagga Wagga; Narrandera, Scone and Wellington—and everywhere in between. Using where I stand in this Chamber today on Sydney's Macquarie Street as a starting point, I promise that NSW will stand for North Coast, South Coast and west of the divide, as there is more to New South Wales than just Sydney.

Last year Deakin University undertook a measure of the personal wellbeing of Australians. It was attempting to test the idea that quality of life cannot be summed up simply by looking at our bank balances. It discovered what members of The Nationals already know. The study concluded that wellbeing is not just based on economics, and that more money will not necessarily make us happier. Furthermore, population density and wellbeing are inversely related. More often than not, people in country towns and regional centres can be happier than those in the big cities. What really drives wellbeing is the sense of community and relationships throughout country New South Wales. This involves how we communicate and connect with our families, friends and neighbours.

Deakin University discovered what any member of The Nationals could have told its researchers. We live in and represent country and coastal New South Wales because we love it. We know that towns like Narrandera, Lismore and Kempsey are strong, vibrant communities that offer a good environment in which to raise families and educate our children. We enjoy a friendly place in which to work, live and run our businesses. We all live in great regional communities. We know they are great, and we will continue to fight Sydney-centric governments to keep them that way.

**Mrs SHELLEY HANCOCK** (South Coast) [8.50 p.m.]: I respond to the Speech of the Lieutenant-Governor that was delivered as part of the sesquicentenary celebrations of this Parliament to a joint sitting of Parliament last Monday. I was, to say the least, disappointed with the Speech—and I do not in any way blame the Lieutenant-Governor since he was obviously directed by the Government to deliver it. I gather from comments of my colleagues that that is exactly what happens each time such an event occurs. But it was obviously a Speech not befitting a sesquicentenary. I would have preferred to hear a lot more about the history and richness of the colony and how we have emerged from the early days.

However, the Speech was full of lies and spin and so typical of the way this Labor Government is desperately trying to deceive the people of New South Wales, and convince them that it should be given another chance for another reign of terror for another four years. I can tell you, Mr Deputy-Speaker, the people of the South Coast will not believe a word if they read the Speech because they are fed up with this Government. I am sure they are typical of people throughout New South Wales who watch the desperate antics of this Government on television every night trying to cover its tracks and to cover up its budget black holes, but they too have had enough. I turn now specifically to the Speech delivered by the Lieutenant-Governor, in particular, the paragraph headed "Ports, rail and other infrastructure" which, amongst other things, states:

The first of more than 730 new air-conditioned rail carriages will enter service this year.

The Speech continues:

The new carriages will consolidate the success of new rail timetables, which have seen greatly increased levels of reliability in the rail system ...

That is not the way the residents of the South Coast see either the reliability or the success of the new timetables, or anything else to do with the South Coast rail system. I have received so many letters over so many years about the problems. Recently I received a letter from a constituent, Mrs Gregory of Mollymook, who travels fairly regularly to Sydney, and records her trip in diary form. She sent a record of two days to me. In relation to airconditioning and reliability referred to in the Speech, she wrote:

1. Wednesday 3 May 2006
- 8.10am train from Bomaderry to Central
- By Kiama, due at 8.38am, the two carriage rail motor was full.
- By Oak Flats, the aisle was packed with standing commuters.
- At Dapto, we had to leave the rail motor and board another train to the city. It was a four carriage train which immediately filled.
- There were further pick-ups en route.
- At Hurstville where I alighted, the train was 12 minutes late.

"Not very late", you mutter. Had I relied on a connecting bus at 11.47am, I wouldn't have caught it (if it were on time!). That would have meant standing in the street till 12.17pm after being on the move since boarding a coach at 6.50am. However, I was met but my friend had to park in limited parking for 12 extra minutes.

There are only a few trains that commuters from Bomaderry can catch to reach the city of Sydney by lunch time. Surely you could increase the number of carriages of the rail motor and increase the carriages on the train from Dapto to Central.

She wrote about her next experience:

2. Tuesday 16 May 2006  
3.38pm train from Central to Bomaderry  
I was in the second of four carriages, carriage number 9172.  
It was hot—

It was 16 May but it was hot—

By Hurstville, other commuters had removed clothing. (There is a limit to what can be removed with decency!!!) The windows had begun to fog up. People were wiping their brows and fanning themselves.

As we approached Sutherland, I told some nearby passengers I'd see if the guard's compartment was in the carriage. It wasn't. Some passengers joked about the free sauna. A teenage boy who was alighting, said he'd speak with the guard. I jumped off at Sutherland and hastily spoke to the station assistant and asked him to speak with the guard or driver. Another passenger walked through to where the guard was and was told it was the same temperature for the entire train.

Thus we sweltered all the way to Kiama where I handed a scribbled note to the station master asking that a complaint be logged. He briefly joked but there was no time for any discussion as the motor service was awaiting departure.

I didn't have a thermometer, I guess the temperature was about 40 degrees Celsius.

I appreciated the near A4 size logic puzzle book as it became a fan.

The serious side to this is the effect the high temperature could have had on the elderly passengers. Many appeared to be asleep. I tried to observe some nearby elderly women in case they needed medical attention. Fortunately for you, that wasn't necessary on the train ...

I handed in at Kiama, then you need to ascertain where this rolling stock is today, check it and withdraw it from service immediately so other commuters don't have to endure what we endured yesterday.

That letter was sent to the Minister for Transport. Mrs Gregory has written before and I am sure the response to her concern will be the same response that I get every time I write on behalf of my constituents—that is, one that talks about the amount of investment by this Government in rail infrastructure, the Bondi turnback and airconditioned coaches. The letters never ever address the specific concerns of people such as Mrs Gregory of Mollymook.

So much for comfort and reliability: it is simply a lie and does not occur on the trains of the South Coast. Earlier I referred to the hundreds of letter I receive. Now, long after the new timetable, people have to endure longer travel to Sydney, packed rail carriages because there are less of them, and no toilet facilities for the entire journey. One elderly Berry lady witnessed three youths who, faced with no toilets on the carriage, simply urinated in the corner of the carriage for all to see, the effect of which the other passengers had to endure for the rest of the journey. That is disgusting on the South Coast rail line.

The new timetable will give us fewer services than ever before; they will be slower and we will have the usual track maintenance, which nobody believes is really for track maintenance at all. We will have buses replacing trains, the elderly struggling to change from train to bus to train, and carriages that are Third World standard. Recently I read, I think in the *Sydney Morning Herald*, the interesting comments of Geoff Lambert, a timetable expert who found that more trains ran during the Great Depression on the Illawarra line than today. Of course, there were differences and different reasons for that occurring but that underlines the fact that for a long time not much has been done to enhance the South Coast rail line. People are being more and more discouraged from using rail services and that provides justification for the Government to make more cuts to the service. This is the truth. It is not the fact that we have better services, because we do not. I refer to the part of the speech in relation to police and law and order in which the Government's spin says we all have the right to live in safe communities:

The right to live in safe communities—free of fear and the threat of crime—is another fundamental requirement for social wellbeing.

I have spoken before in this place on the issue of police numbers in the Shoalhaven Area Command and how local police are struggling to cope with the rising, not falling, levels of crime—so much for feeling free of fear

and having the right to live in safe communities. I now turn to comments of people who live in various towns and villages on the South Coast regarding how safe and how free of fear they feel. A lady from Glebe wrote on behalf of her 87-year-old mother who lives at Culburra Beach. She wrote before to Mr Costa but got an unsatisfactory reply. She wrote again to the Minister for Police and is still awaiting a reply. She said that despite any assurances about what would happen in Culburra Beach:

... the same behaviour is still continuing, mostly on a Friday or Saturday night as it has been for the past 5 years. Large gangs of young boys and girls some apparently as young as 14 or 15 are holding the town to ransom. They are drunk, possibly some also on drugs, they congregate at the beach front near the surf clubhouse or in public spaces, parks, anywhere really: they brawl, play unacceptably loud music, ride wheelie bins, tip rubbish everywhere, use foul language and destroy property. Just last Saturday night in a drunken spree they damaged my mother's letter box, (for probably the 6th time), invaded the yards of residences where they sat drinking, tore down a fence, attacked each other with palings, threw a brick through the window of another elderly woman's home, threw a letter box through another window, broke bottles, damaged road signs and other public notices.

So much for people feeling safe and secure in their communities. And this is the beautiful, quiet Culburra Beach we are talking about. This sort of behaviour has been going on for five years—that is, for five years people at Culburra Beach have been frightened to go outside at night. A resident of Sanctuary Point has written to me about antisocial behaviour there:

Again we need to bring this unpleasant matter to your attention. The last four Fridays have been unbearable, with youths drinking, rampaging, yelling, disturbing the peace. Friday 13 January saw newspapers from the newsagent strewn across a large area.

The writer goes on to talk about:

... the usual drinking and yelling, plus a fire was lit on the actual skate bowl using a ready supply of kindling from adjacent bush.

She went on to talk about:

... drinking, yelling, the "youths" imitating police with a possible megaphone plus some sort of "toy siren". The amount of noise was so loud every neighbour rang the police.

It also woke our young boys, who wanted to know why the "police didn't take the naughty people away". They were crying...

There was also a car in the distance, with the horn beeping monotonously for quite some time. The letter goes on and on. So much for the safety referred to in the Speech of the Lieutenant-Governor about our right to feel safe and secure in our villages. That was Sanctuary Point. I turn to Callala Bay, one of the most beautiful villages in the South Coast area. The writer of this letter talks about the thousands of law-abiding people who have lived happily in the coastal villages of Jervis Bay for many years, but now are in constant fear for the safety of themselves and their property due to growing lawlessness among young thugs, who have literally taken over the streets. The letter continues:

Over many months now teenagers have been roaming the streets from around four in the afternoon ...

They have absolutely no regard for anyone else and their aggressive actions have some residents fearing for their lives.

It is not very pleasant for me, as a relatively new member of this place, to receive letters about people living in fear of their lives. And these are just a fairly small selection from the kinds of letters I received. What can I do? I meet regularly with police and ask for an increase in police patrols in the areas. But, at the end of the day, as I have said in this Parliament several times before, it is all about police numbers—whether the Government wants to hear that or not.

Police in the Shoalhaven Local Area Command are now admitting that they are struggling to cope with the rising levels of crime. In 2003, police numbers in the Shoalhaven area command numbered 137. The latest count is 131—6 less than in 2003. The Government's so-called authorised strength—we do not know what that means, or how it is calculated—is 121. Thus it is the Government's intention to reduce by 16 the number of police in the Shoalhaven in 2003. This Government cannot be serious. Nor can it be taken seriously when it announced recently it would recruit an additional 700 or so police. The fact is that the Government increases recruit numbers at election times, then spends the following four years driving down police numbers. I know that, because I watch police numbers carefully, and I watch recruitment numbers carefully, so that I know what is going on and how that affects the police force in my electorate. I do not like seeing headlines as appeared in the *South Coast Register* entitled "Weekend war zones", with the by-line:

As the State Government moves to further cut police numbers in the Shoalhaven, residents of our coastal communities are living in fear, with many elderly people barricading themselves in their homes. Assaults, brawls and vandalism have become regular occurrences as teenagers run riot, and residents are fed up.

There is more. Every second week there are stories about the kinds of things happening in the most beautiful and pristine villages one could possibly imagine. Another article states:

Every Friday and Saturday night [a lady] locks the doors of her Culburra Beach house as soon as the sun goes down.

The 70-year-old isn't the only resident of the beachside suburb who fears for her life as gangs of youths wander the streets each weekend, vandalising homes and businesses and assaulting anyone who stands in their way.

In no way is this meant to be critical of the Shoalhaven Local Area Command. Anyone who would make such an assertion does not understand the good relationship I continue to have with all of the police officers within the Shoalhaven area command. I meet with them regularly. I know their frustrations. I know they are trying to do the best they can. But the fact is that a centralised model of policing—introduced by Commission Peter Ryan in about 1997—leads to a centralised command, such as in Nowra, about an hour away from some villages. If something serious occurs in a village such as Currarong in the Shoalhaven, it takes a whole hour for police to reach the area.

The response of the Government has been to reduce police numbers at some outlying police stations, such as Culburra, Sussex Inlet and Berry—in the electorate of the honourable member for Kiama. All have suffered a reduction in police numbers. Instead, everything is centred in Nowra. This demonstrates a basic lack of understanding about the geographical challenges of not only the South Coast but the electorate of Bega, and I daresay the electorate of Kiama as well. Police are doing the best they can.

I must refer to one of the most disturbing letters that I have ever read. It appeared just after the Cronulla riots. It disturbed me because I am the mother of a police officer. I worry about my son every day, every shift. Until I know he is home, I worry about his safety. It is natural for a mother to be that way. He does not worry about his safety, because that is the way he is: he is there to do the job, and he loves it. This letter, published in the *Daily Telegraph* on 14 December, really worries me. It is written by an anonymous police officer. I have to record this in *Hansard* because I am very disturbed to think that police officers with 17 years service in the force may be feeling this way. The article is entitled "I'm a police officer—and I am scared". I quote from the letter the officer wrote and distributed during the Cronulla riots:

I am a NSW police officer with more than 17 years' experience and I tell you that I am scared.

I am scared to do my job and I don't blame the community for taking the law into their own hands.

In the late '80s when I first joined the police force, I saw how the old school police did things. I agree there was corruption and things had to change—

we would all have to agree with that—

but what the Government, judicial system and ultimately society did to the police force was just disgraceful.

The officer proceeds to talk about how things were done in the old days. I do not condone or agree with some comments people make about policemen giving young people a boot up the backside. That is not a solution. But we do need a solution to help police officers in the field, who really are struggling. I have talked about thugs on the South Coast and how they are terrifying people. This police officer goes on to say:

If we want to move these thugs out of the area, we have a very strict procedure we must follow.

Fair enough:

We have to announce our name and place of duty. The thug laughs and starts calling us by our first name.

We have to tell them why they have to move on. We have to warn them that if they fail to move on, they may be arrested. If there is more than one thug, we have to do this to each one.

They tell us they don't speak English, start stating their rights and call their friends by mobile phone to come to the location.

The process we have just started doesn't work with a drunk who wants to argue—it just makes it more confusing.

We have to make detailed notes of the conversation and caution them not to say or do anything in case it incriminates them. Each time we use a power, we have to tell the hoodlum what it is and why we are doing it.

From the very outset, they have the upper hand and it continues. They have the real power ... we have pretend power.

That is a pretty disturbing account from a police officer with 17 years experience. The officer who wrote this letter goes on to talk about the court systems, the local magistrates, the general confusion and frustration he has about his job, and not being permitted to do his job. He wants to arrest people and see them punished for making life miserable for others. He talks about the promotion system, and about management. At the end of his letter he says:

The police out there have poor morale, equipment and training. We aren't united as a team—everyone has their own agenda and we are scared.

We have the weak, ambiguous powers the Government says we have to have and a judicial system that just defies logic.

I totally understand why young men feel they have to take the law into their own hands. I don't trust, and have very little loyalty in the police service and the court system.

That is a sad indictment of the Government's actions of taking away police powers. It is a sad indictment of its disregard for the people and their concerns about police numbers on the South Coast and other areas of rural and regional Australia. I am sick and tired of having to stand in this place and ask for more police. There were 137 in 2003, and it is the Government's stated intention to slash that number to 121. The real number is 104 because on any given day some 30 officers may be off sick or injured.

**Debate adjourned on motion by Ms Kristina Keneally.**

### **PIPELINES AMENDMENT BILL**

### **VALUATION OF LAND AMENDMENT BILL**

**Messages received from the Legislative Council returning the bills without amendments.**

### **FAIR TRADING AMENDMENT BILL**

**Bill introduced and read a first time.**

#### **Second Reading**

**Ms DIANE BEAMER** (Mulgoa—Minister for Western Sydney, Minister for Fair Trading, and Minister Assisting the Minister for Commerce) [9.10 p.m.]: I move:

That this bill be now read a second time.

This bill will make a number of amendments to the Fair Trading Act 1987 to improve the level of protection and information provided to New South Wales consumers, enable the Commissioner for Fair Trading to carry out her functions more effectively, and enhance the effectiveness and efficiency of ministerial advisory councils. The first amendment will extend the operation of the Fair Trading Act to conduct which occurs outside New South Wales but which has a relevant link with New South Wales. The amendment will bring the New South Wales Fair Trading Act into line with the Fair Trading Acts of the Australian Capital Territory, Queensland, South Australia, Tasmania, Victoria and Western Australia, all of which have provisions giving them operation outside of State or Territory borders if there is a sufficient link with the State or Territory. Currently, the Office of Fair Trading relies on part 1A of the Crimes Act to take action against conduct occurring outside New South Wales.

Part 1A provides that offences in New South Wales legislation apply extraterritorially if the offence is committed wholly or partly in New South Wales, or if the offence is committed wholly outside New South Wales but has an effect in New South Wales. However, part 1A does not extend the application of the misleading, deceptive and unconscionable conduct provisions of the Fair Trading Act because these provisions do not create offences. Nor does it extend the provisions allowing the Commissioner for Fair Trading to seek an injunction to restrain unlawful conduct. Therefore, the Office of Fair Trading cannot take action against misleading or deceptive conduct that occurs outside New South Wales, or seek an injunction against other unlawful conduct occurring outside the State. These restrictions are significant because a large proportion of the Office of Fair Trading's law enforcement activity uses the misleading and deceptive conduct and injunction provisions.

The injunction provisions are particularly useful because they prevent traders from continuing unlawful conduct and they can provide for compensation for affected consumers. Breach of an injunction can lead to

imprisonment for contempt of court. In contrast, a prosecution may result in a trader simply paying a fine and continuing with unlawful conduct. The limited territorial reach of the misleading and deceptive conduct and injunction provisions also hinder the Office of Fair Trading's participation in co-ordinated law enforcement action with other States and Territories. With the increase in the number of traders operating across Australia, a trader who is engaging in unlawful conduct is likely to be doing so in several jurisdictions at once. Rather than each State taking separate action against the conduct that occurs in their jurisdiction, it is much more efficient for a single action to be taken against the trader. While the Australian Competition and Consumer Commission takes action against national conduct, not all cases receive priority. Therefore, the States and Territories have been developing co-operative strategies to deal with these cases themselves.

One such strategy is for one jurisdiction to take the lead role in acting against a trader and to seek orders that apply in all jurisdictions. In one such case, a trader engaging in unlawful practices had an address in Sydney but traded in all States. In taking action against the trader, the New South Wales Office of Fair Trading sought to obtain an injunction with national application, but, as the Fair Trading Act was interpreted as applying only to New South Wales, the injunction granted was limited to New South Wales. Proposed section 5A will make it clear that the Fair Trading Act applies extraterritorially to the full extent of the Parliament's legislative power and that it extends to conduct either in or outside New South Wales that is in connection with goods or services supplied in New South Wales, or affects a person in New South Wales, or results in loss or damage in New South Wales. The second amendment will give the Commissioner for Fair Trading greater powers to obtain information to effectively carry out her functions.

The functions of the Commissioner for Fair Trading are set out in section 9 of the Fair Trading Act and include providing advice on consumer protection legislation; taking action to remedy breaches of consumer protection legislation; securing compliance with consumer protection legislation whether on complaint or otherwise; making available information on matters affecting the interests of consumers; receiving complaints, investigating those complaints, and dealing with them in such manner as the commissioner considers appropriate; keeping under critical examination, and reporting to the Minister on, the laws in force and other matters relating to the interests of consumers; and reporting to the Minister on matters relating to the interests of consumers that are referred to the commissioner by the Minister. To enable the commissioner to carry out the function of taking action to remedy breaches of consumer protection legislation, the Fair Trading Act provides investigators appointed by the commissioner with powers of entry, power of search and seizure under search warrant, and power to obtain information, documents and evidence in relation to a possible contravention of any legislation administered by the Minister for Fair Trading.

Power to obtain information cannot be used in support of any of the other functions of the commissioner. By contrast, the now repealed Consumer Protection Act 1969 allowed the commissioner's delegate to require a person to provide information or documents that were believed on reasonable grounds to be relevant to the investigation of a complaint or an investigation into matters affecting the interests of consumers. The proposed amendments to section 20 will permit the commissioner to exercise the power to obtain information, documents and evidence in relation to matters that are the subject of a complaint received under section 9, or matters that are the subject of investigations into the laws in force and other matters relating to the interests of consumers, carried out in accordance with section 9. The amendment will increase the efficiency and effectiveness of the work of the Office of Fair Trading with respect to investigating and resolving complaints and disputes that do not involve breaches of legislation, monitoring compliance with legislation, investigating matters that affect the interests of consumers, conducting reviews of current legislation and assessing the impact of regulatory proposals.

The bill provides that the commissioner can delegate these powers only to an officer, defined by the Fair Trading Act to mean a public servant or person engaged by the commissioner with the approval of the Minister. The delegate must provide evidence of his or her identity and delegation if requested to do so by the person required to comply with the notice under section 20. The Fair Trading Act establishes five statutory advisory bodies that provide policy advice to the Minister for Fair Trading with respect to key areas of my portfolio: fair trading generally, the motor trade, home building industry, property services industry, and retirement villages industry.

In line with government policy, the bill rationalises the number of statutory bodies in the Fair Trading portfolio. The proposed amendments will retain three existing advisory councils, fair trading, property services and retirement villages, abolish the Council of the Motor Vehicle Repair Industry Authority and amalgamate that council with the Motor Trade Advisory Council to form the Motor Vehicle Industry Advisory Council. Membership numbers are also rationalised, with each advisory council to have not less than six and not more than 16 members.

Once the bill is enacted, amendments to the Home Building Act will commence to abolish the Home Building Advisory Council under the Fair Trading Act and create a new council under the Home Building Act. The practice of demanding payment for goods or services when the goods or services were not requested, or when the authority to supply the goods or services was obtained through fraudulent means, is referred to as false billing. Most false billing complaints relate to demands for payment from small businesses for the provision of advertising services in directories, magazines, journals and similar publications.

False billing is a significant problem in New South Wales. Investigating and taking action against false billers under the existing provisions of the Fair Trading Act requires considerable resources. The financial detriment suffered by small businesses that have been stung by false billing is significant. An internal report prepared by the Office of Fair Trading in May 2003 indicated that the office had identified approximately 170 publication titles that were either known, or strongly suspected, to be linked to false billing activity. The office obtained banking records for three false billing operators that were either sole traders or family businesses and published 10 publications between them.

The combined annual income for the 2000-2001 financial year for these operators was estimated to be \$2.367 million, or \$236,000 per publication. If each of the 170 identified publications generated half this amount of income each year, this would amount to New South Wales small businesses being defrauded of \$20 million each year through false billing. In an attempt to reduce the level of false billing and to make prosecution of false billers easier, Queensland and Victoria have amended their Fair Trading Acts to include provisions additional to those applying in New South Wales. Section 58 makes it an offence to assert a right to payment for unsolicited goods or services, or to make an entry in a directory, unless there is reasonable cause to believe there is a right to payment or that the directory entry had been authorised.

The proposed amendment to section 58 provides that a person shall be taken to be demanding payment if they send an invoice or other document stating the amount of a payment or the price of goods or services, unless the document contains a prescribed statement at the top of the first page, in upper case and not less than 18 point type, which states, "This is not a bill. You are not required to pay any money." Queensland has a similar requirement. The inclusion of such a clear and prominent statement is expected to reduce the likelihood that small businesses will inadvertently pay for unsolicited goods or services or unauthorised directory entries and will therefore act as a disincentive to false billers.

The requirement to include the statement will also facilitate the prosecution of false billers who fail to comply by making it easier to prove that the false biller demanded payment for unsolicited goods and services or unauthorised directory entries. The introduction in New South Wales of the requirement, also under section 58, to have written authority for placing an entry in a directory dramatically reduced the level of false billing in relation to directories. However, this requirement did not apply to the publishing of advertisements, and false billers have taken advantage of this regulatory gap. In 2003 Victoria closed this gap by aligning the requirements for publishing an advertisement with those for placing an entry in a directory.

Proposed section 58A will harmonise with the Victorian provisions by providing that it is an offence to assert the right to payment for certain unauthorised advertisements. Proposed section 58A mirrors the provisions in section 58 with regard to directory entries so that a person is prohibited from demanding payment for publication of an advertisement, unless they have obtained written authority to publish. Proposed section 58A contains the same exemptions as those applying in Victoria. Large proprietary companies and their subsidiaries, listed corporations and their subsidiaries, publications which have an audited circulation of 10,000 copies or more per week and their related bodies corporate, the Crown, and other prescribed persons, do not have to comply with proposed section 58A. This will ensure that newspapers and other legitimate publications which carry large numbers of advertisements are not subject to time-consuming written authority requirements.

Further amendments relate to the disposal of items seized or otherwise obtained by the Office of Fair Trading in the course of its work of protecting consumers, encouraging compliance with fair trading legislation and taking action against unlawful conduct. These items may be used for the purpose of investigations, or as evidence in legal proceedings. They may have been seized under the commissioner's seizure powers, or handed over voluntarily. Once these items are no longer required as evidence, they are returned, if possible, to whomever had lawful possession of them. If it is not possible to return such items to the custody of any person, they are retained by the Office of Fair Trading.

As there was no power to destroy or dispose of these items, they could occupy considerable space while serving no useful purpose. Proposed section 19A provides for anything seized under the authority of a search warrant to be sold, destroyed or otherwise disposed of, if it is not required as evidence and cannot be

returned to someone who had lawful possession. The proceeds of any sale are to be paid to the Treasurer for payment into the Consolidated Fund. Proposed section 93 contains the same provisions in respect to anything obtained in the course of an investigation, other than being seized under a search warrant. The Fair Trading Act is the principal statute that protects consumers in New South Wales from deceptive and dishonest commercial conduct. These amendments will enhance the work of the commissioner and her staff. I commend them to the House.

**Debate adjourned on motion by Mr Daryl Maguire.**

## **JOINT SELECT COMMITTEE ON TOBACCO SMOKING**

### **Establishment and Membership**

**Mr DEPUTY-SPEAKER:** I report the receipt of the following message from the Legislative Council:

Mr SPEAKER

The Legislative Council desires to inform the Legislative Assembly that it has this day agreed to the following resolution:

1. That a joint select committee be appointed to inquire into and report on tobacco smoking in New South Wales, and in particular:
  - (a) the costs and other impacts of smoking,
  - (b) the effectiveness of strategies to reduce tobacco use,
  - (c) the effects of smoke-free indoor venues on the initiation and maintenance of the smoking habit,
  - (d) factors affecting initiatives for smoke-free indoor areas,
  - (e) the effectiveness of media, educative, community and medically-based Quit initiatives,
  - (f) the adequacy of the budget for smoking control initiatives, and
  - (g) the Smoke-free Environment Amendment (Motor Vehicle Prohibition) Bill 2005 introduced by Reverend the Hon. Fred Nile in the Legislative Council.
2. That, notwithstanding anything to the contrary in the standing orders of either House, the committee consist of 11 members, as follows:
  - (a) four members of the Legislative Council of whom:
    - (i) one must be a Government member,
    - (ii) one must be an Opposition member, and
    - (iii) the Hon. Dr Arthur Chesterfield-Evans and Reverend the Hon. Fred Nile
  - (b) seven members of the Legislative Assembly of whom:
    - (i) four must be Government members,
    - (ii) two must be Opposition members, and
    - (iii) one must be an Independent or crossbench member.
3. That the members be nominated in writing to the Clerk of the Parliaments and the Clerk of the Legislative Assembly by the relevant party leaders and the Independent and crossbench members respectively within seven days of this resolution being agreed to by both Houses.
4. That, notwithstanding anything to the contrary in the standing orders of either House, at any meeting of the committee, any six members of the committee will constitute a quorum, provided that the committee meets as a joint committee at all times.
5. That the minutes of proceedings, evidence, all papers, documents, reports and records of the Joint Select Committee on Tobacco Smoking appointed on 28 February 2006 be referred to the committee.
6. That the committee report by 30 June 2006.
7. That this House requests the Legislative Assembly to agree to a similar resolution and name the time and place for the first meeting.

Legislative Council  
24 May 2006

MEREDITH BURGMANN  
President

**Consideration of message deferred.**

**JOINT SELECT COMMITTEE ON THE CROSS CITY TUNNEL****Establishment and Membership**

**Mr DEPUTY-SPEAKER:** I report the receipt of the following message from the Legislative Council:

Mr SPEAKER

The Legislative Council desires to inform the Legislative Assembly that it has this day agreed to the following resolution:

1. That a Joint Select Committee be appointed to inquire into and report on:
  - (a) the role of Government agencies in relation to the negotiation of the contract with the Cross City Tunnel Consortium,
  - (b) the extent to which the substance of the Cross City Tunnel contract was determined through community consultation processes,
  - (c) the methodology used by the Roads and Traffic Authority for tendering and contract negotiation in connection with the Cross City Tunnel,
  - (d) the public release of contractual and associated documents connected with public private partnerships for large road projects,
  - (e) the communication and accountability mechanisms between the RTA and Government, including the Premier, other Ministers or their staff and the former Premier or former Ministers or their staff,
  - (f) the role of Government agencies in entering into major public private partnership agreements, including public consultation processes and terms and conditions included in such agreements,
  - (g) the role of Government agencies in relation to the negotiation of the contract with the Lane Cove tunnel Consortium,
  - (h) the extent to which the substance of the Lane Cove Tunnel contract was determined through community consultation processes,
  - (i) the methodology used by the Roads and Traffic Authority for tendering and contract negotiations in connection with the Lane Cove Tunnel, and
  - (j) any other related matters.
2. That the committee finally report by the first sitting day in September 2006.
3. That the minutes of proceedings, evidence, all papers, documents, reports and records of the Joint Select Committee on the Cross City Tunnel appointed on 15 November 2005, be referred to the Committee.
4. That, notwithstanding anything to the contrary in the standing orders of either House, the committee consist of eight members, as follows:
  - (a) four members of the Legislative Council, of whom:
    - (i) one must be a government member,
    - (ii) one must be an opposition member, and
    - (iii) two must be cross-bench members, one of whom will be Revd Mr Nile,
  - (b) four members of the Legislative Assembly, of whom:
    - (i) two must be government members, and
    - (ii) two must be opposition members.
5. That the members be nominated in writing to the Clerk of the Parliaments and the Clerk of the Legislative Assembly by the relevant party leaders and the independent and cross-bench members respectively within seven days of this resolution being agreed to by both Houses.
6. That Revd Mr Nile be the Chair of the committee.
7. That the Chair of the committee have a deliberative vote and, in the event of an equality of votes, a casting vote.

8. That, notwithstanding anything to the contrary in the standing orders of either House, at any meeting of the committee, any four members of the committee will constitute a quorum, provided that the committee meets as a joint committee at all times.
9. A member of either House who is not a member of the committee may take part in the public proceedings of the committee and question witnesses but may not vote, move any motion or be counted for the purpose of any quorum or division.
10. That leave be given to members of either House to appear before and give evidence to the committee.
11. That this House requests the Legislative Assembly to agree to a similar resolution and name the time and place for the first meeting.

Legislative Council  
24 May 2006

MEREDITH BURGMANN  
President

**Consideration of message deferred.**

**COURTS LEGISLATION FURTHER AMENDMENT BILL**

**Bill introduced and read a first time.**

**Second Reading**

**Mr NEVILLE NEWELL** (Tweed—Parliamentary Secretary) [9.28 p.m.], on behalf of Mr Bob Debus:  
I move:

That this bill be now read a second time.

This bill provides for miscellaneous amendments to courts-related legislation, and is part of the Attorney General's regular legislative review and monitoring program. Schedule 1 will amend the Civil Procedure Act 2005. Item [1] of schedule 1 amends section 18 (2) of the Civil Procedure Act 2005. This section provides that the New South Wales Crown is exempt from paying certain court filing fees in civil proceedings. This exemption existed in former provisions contained in the civil legislation of each court. The rationale for the exemption is that the imposition of such fees upon the Crown will often represent a transfer of public funds from one government agency to another, and does not generate an increase in revenue to the whole of government. The exemption does not extend to services provided by the court.

The Civil Procedure Act 2005 unintentionally extended the exemption in favour of the Crown to Sheriff's fees. The Sheriff charges fees for services, including service of process and execution of writs and warrants. The amendment seeks to restore the status of Sheriff's fees to the position that existed prior to the commencement of the Civil Procedure Act 2005 and to enable the Sheriff to recover costs for services provided to the Crown. Item [2] of schedule 1 amends section 77 of the Civil Procedure Act 2005. This section outlines how money recovered in civil proceedings on behalf of a person under a legal incapacity is to be managed. At present, money recovered on behalf of a minor may be paid only to the Public Trustee and money recovered on behalf of a protected person may be paid only to their manager.

The proposed amendment will give the courts discretion to order payments to other persons. In the case of a minor, courts will now be able to order money to be paid to the Public Trustee or such other person as it directs. In the case of a protected person, courts will now be able to order money to be paid to a manager or such other person as it directs. This reform will reduce administrative costs and allow parties to receive their compensation sooner. For example a court may order a relatively small payment for medical expenses to be made directly to a parent. This would allow the parents to pay their child's medical bills as quickly as possible. It would also avoid administration costs associated with the Public Trustee double handling the payment.

Item [3] inserts a note to section 81 of the Civil Procedure Act 2005 to make it clear that provisions dealing with interim payments do not apply to an award of damages to which part 6 of the Motor Accidents Act 1988 applies. The Motor Accidents Act 1988 contains separate arrangements for interim payments once liability is admitted. By making this clarification we remove ambiguity about which regime applies. Item [4] clarifies the courts' power to issue an arrest warrant in civil proceedings. Section 97 allows the court to issue a warrant to arrest a person who fails to comply with an order made under the Civil Procedure Act 2005 or rules of court or any other Act. There is concern that the term "any other Act" may be limited only to Acts passed by the New South Wales Parliament. Sections 12 and 65 of the Interpretation Act create a presumption that a reference to an "Act" may be read as an "Act of New South Wales".

There are occasions when the court may wish to issue an arrest warrant in reliance of Commonwealth legislation. By way of example, the Supreme Court, when dealing with matters in the Corporations List, may

seek to issue an arrest warrant in reliance of provisions under the Commonwealth Corporations Act. To avoid any doubt that the court may rely on Commonwealth law the section is amended to refer to "any other law". The term "law" is a broader term that includes State and Commonwealth statute law as well as the common law. As a matter of practice, the Parliamentary Counsel uses the broader term "law" to refer to both State and Commonwealth Statute.

Item [5] amends section 113 of the Act. Section 113 sets out a procedure to enable a judgment debtor to sell or mortgage land, which is the subject of a writ for levy of property with the consent of the Sheriff. Where consent is obtained for the mortgage of property it is the practice of the Sheriff to endorse his or her consent on the mortgage. Section 113 (6) incorrectly refers to the Sheriff endorsing his or her consent on the "agreement". There is no recognised instrument being an "agreement for mortgage". The proposed amendment will make it clear that the Sheriff is to endorse his or her consent on the mortgage.

Schedule 2 to the bill makes some minor, but important amendments to the Drug Court Act 1998 with respect to the eligibility criteria for the Compulsory Drug Treatment Program. The Drug Court will have the power to order eligible offenders to be sent to a special correctional facility dedicated to abstinence-based treatment, rehabilitation and education. The program is aimed at offenders who have long-term drug addictions and an associated life of crime. Item [1] of schedule 2 adjusts the criteria to allow offenders with an unexpired non-parole period of 18 months at the time of sentence to access the program. Currently, an offender must have an unexpired non-parole period of at least 18 months at the time the Drug Court makes the compulsory drug treatment order. This means that an offender who has an 18-month non-parole period at the time of sentence will automatically become ineligible by the time the matter is assessed by the Drug Court.

The amendment will increase the potential referrals by preventing offenders from lapsing out of eligibility due to the processing time between referral by a sentencing court and the making of the Drug Court's compulsory drug treatment order. Without this change, offenders with an unexpired non-parole period of 18 months at the time of sentence would become ineligible the next day and, as a consequence, prevent the Drug Court from having the opportunity to consider making a drug treatment order. Item [2] of schedule 2 will adjust the recidivism criteria of eligible offenders from three prior convictions in the past five years to two prior convictions. This will mean that offenders on the program will have committed a total of three offences in a five-year period. The program will remain consistent with the Government's commitment for the program to target recidivist offenders.

Item [3] will remove the automatic exclusion of offenders convicted at any time of an offence involving serious violence but will require the Drug Court to have regard to the offender's history of committing offences involving violence as part of the assessment of the offender's suitability for the program. The amendment will create greater flexibility for the Drug Court to consider whether offenders who may have committed an offence involving violence at some point in their criminal history should nonetheless be suitable for the program. The existing blanket exclusion would preclude any further consideration of those issues.

Schedule 3 to the bill amends the Land and Environment Court Act 1979 to allow the court to order the joinder of a person as a party to an appeal against a consent authority's decision to modify a development consent. Decisions in relation to development consents can affect persons in the neighbourhood or the community other than the parties to the proceedings. Therefore, it is important that the Land and Environment Court have the power to join third parties to appeal proceedings relating to these decisions. At present the Land and Environment Court may join third parties in appeals for the granting of a development consent and appeals against the granting of a development consent. However, if there is a modification of a development consent there is no such power. The proposed amendment will rectify that oversight. Under that provision the court will be able to join a third party to an appeal against the modification of a development consent if the court is of the opinion that it is in the interest of justice or in the public interest, or the third party is able to raise issues that would not be likely to be sufficiently addressed if they were not joined as a party. Those amendments will improve the efficiency and operation of the courts. I commend the bill to the House.

**Debate adjourned on motion by Mr Daryl Maguire.**

**The House adjourned at 9.37 p.m. until Thursday 25 May 2006 at 10.00 a.m.**

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